

COMPRITEL INNOVATIONS
ENTERPRISES CO LTD

MINUTE SHEET

Dokezo
No.

1
Ag. EXD ✓

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 2.4m.

(b) Legal entity has been incorporated under certificate

No. 52700 of 06/06/2005

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.



Glory Bildard

Ag. DIF

30th December, 2011

2
EXD ✓

In response to the TIC letter of registration dated 30/12/2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from STANBIC BANK

(c) Deed of Assignment of a right of occupancy as an evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 04.2154 herein attached.

30/12/2011



Ag DIF

MINUTE SHEET

Dokezo
No.



00218542

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042156

This is to certify that

FOOD CHAIN (T) LIMITED

of address P.O. BOX 14301

DAR ES SALAAM

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

FOOD CHAIN (T) LIMITED

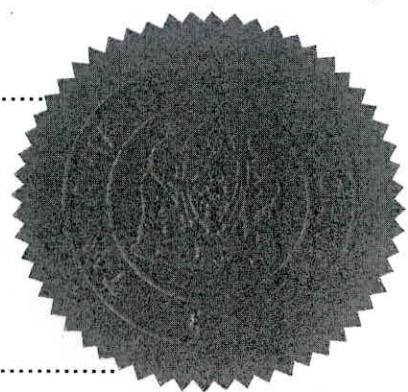
Which is located at PLOT NO. 105 CHANG'OMBE AREA

TEMEKE -- DAR ES SALAAM

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

Ag. Executive Director

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



Dated 8TH MARCH 2012

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
- | Shareholders | Nationality | Shareholding (%) |
|---------------------|-------------|------------------|
| Ceri S. Chamberlain | British | 50 |
| Mohammed A. Muses | Kenyan | 50 |
2. Proposed Activities : **To establish a project for processing fruits, vegetables and Agroproducts for export**
3. Sector: **Manufacturing** Subsector **Agro Products Processing for Export**
4. Investment cost: Foreign **-** Local **USD 0.85m.** Total **USD 0.85m**
5. Project Financing:
Equity **USD 0.55m.** Loans **USD 0.3m.** Total **USD 0.85m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|----------|-------------------|------------------|
| | - | USD 0.85m. | USD 0.85m |
8. Technology Agreement **None**
9. Date of TIC Registration: **16th March 2012**
10. Implementation period **March 2012 - February 2015**
11. Operative date **March 2012**
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 
Ag. Executive Director



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/8/1887

19th January, 2012

Managing Director,
Compritel Innovations Enterprises Co. Ltd,
P.O. Box 70455,
Dar es Salaam.

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-
CERTIFICATE OF INCENTIVES NO. 042154 OF 30.12.2011.**

We are writing in response to your letter dated 06th January, 2012 as supported by letter ref. TICC/PP.10/042154/6 of 10.01.2012 from Tanzania Investment Centre regarding the captioned subject.

We hereby confirm and approve items as per five –page list herewith attached as capital/deemed capital goods to establish manufacturing plant for construction materials with the certificate of incentives mentioned above. However, building materials and finished goods could not be approved as are not part of allowable deemed capital items under manufacturing sector. For the approved motor vehicles, they should be of less than ten years old at the time of importation.

The approved items will be subject to 0% import duty and VAT relief under the 3rd Schedule to the VAT Act, Cap 148; subject to completion of form VAT 224 duly approved by the Commissioner for Customs and Excise.

Sincerely yours,

Said Athumani

For: COMMISSIONER FOR CUSTOMS AND EXCISE

RP/-

c.c. Manager - Tax exemptions

cc. Regional Manager - Temeke

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

ISO 9001:2008 Certified

CUSTOMS & EXCISE DEPARTMENT

Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

PRODUCT LIST

QUANTITY

1.	Continuous Drawing Machine having four Blocks in Tandem of size 24"	4
2.	Continuous Drawing Machine having six Blocks in Tandem of size 24"	4
3.	Automatic Electric Control Panel Board	6
4.	Wire Pointing Machine	5
5.	Butt Welding Machines various KVA (10,25,20 etc)	5
6.	De-Scaling Attachment	8
7.	Motorized Die-Polishing Machine	4
8.	Stripper	20
9.	19 x 17 pallet size tungsten carbide dies	500
10.	17 x 15 pallet size tungsten carbide dies	500
11.	Diamond Pins	200
12.	Norbide Powder (400gms)	10
13.	Diamond Paste (Tubes)	40
14.	Wire Drawing Powder, (bags of 50 kgs each)	300
15.	Nail Packing Machine complete with magnet nail sorter	5
16.	Wire Nail Press	5
17.	Wafios Nail Machines, Model: N1,N2,N3,N4,N5,N6,N9,N11,N41,S75,S140,S110,DP80,MP4	30
18.	Mesh Welding Machine	5
19.	Expanded Metal Making Machine	5
20.	Screw Manufacturing Machine	3
21.	Nuts and Bolts Machines	3
22.	CNC Wire former	2
23.	Chamfering Machine	3
24.	Pointing Machine	5
25.	Wire Weaving Looms	10
26.	Staple Machine	4
27.	Chain Bending Machine	3
28.	Crimping Machine	3
29.	CNC Spring Coiling Machine	3
30.	Wire Pay Off	3
31.	Straightening and Cutting Machine	4



Approved
[Signature]

32.	Wire and Strip Bending Machine	2
33.	Abrasive Band Grinding Machine	2
34.	Electrolytic Grinding Machine	2
35.	Software for Production Planning and Control (PPC)	3
36.	Double Blow Nail Machines	5
37.	Sheet Metal Cutting Machine	3
38.	Sheet Metal forming Machine	2
39.	Steel Wire Nail rod	2000
40.	PVC Pallets	4000
41.	Bamboo Pallets	4000
42.	Plastic Pallets	4000
43.	Pallet Making Machine	5
44.	Automatic Chain Link Fence Machine	5
45.	Machine for Surface treatment	6
46.	Palletizing System	5
47.	Storage equipment and System	4
48.	Spring Bending Machine	3
49.	Electric Generator	5
50.	Emergency Power System	4
51.	Boilers and Heaters	3
52.	VSI Crusher	4
53.	HPC Cone Crusher	4
54.	SCM Super Micro Mill	4
55.	Jaw Crusher	3
56.	Block and Brick making Plant	4
57.	Aggregate Production Machines	4
58.	Sand making and washing machine	4
59.	Mobile Crusher and equipment	4
60.	Construction waste crushing machine	4
61.	Milling Machines	3
62.	Drilling and Boring Machines	4
63.	Machine Tools	10
64.	Crushing equipment	4
65.	Machining Centres	3



Approved
[Signature]

66.	Silo	10
67.	Screw Conveyor	10
68.	Aggregate Weighting System	5
69.	Color Material Weighting System	5
70.	Mixers for Main Material and Color Material	5
71.	Belt Conveyor	10
72.	Automatic Block Making Machine	5
73.	10KVA butt welding machine	10
74.	Barbed wire machine	4
75.	Shuttles weaving machine	4
76.	Diamond mesh machine	4
77.	Hexagonal wire netting machine	8
78.	Expanded metal machine	8
79.	Crimped wire mesh weaving machine	8
80.	Fencing mesh machine	8
81.	Wire PVC Coating machine	6
82.	Grassland Fence machine	6
83.	Perforated metal machine	6
84.	Galvanized Wire line	6
85.	Reinforcing Mesh Welding machine	6
86.	Coiling Wire machine	6
87.	Cutting Tools	10
88.	Header Dies	1000
89.	Gripping Dies	1000
90.	Die Grinder	10
91.	Auxiliary Machines	10
92.	Wire Nail Polisher	10
93.	Motor Vehicles and Trucks	10 20
94.	Steel Bars (tons)	2000
95.	Roofing Aluminium Sheets (tons)	2000
96.	Steel Plates (tons)	4000
97.	Iron Bars (tons)	3000
98.	Wire pointing machine	15
99.	Cement (tons)	100000



Approved
[Signature]

100. Digital Billboards	30
101. Computers and Processors	100
102. High Tec Computers and Software	100
103. Steel metal Sheets (tons)	20000
104. Packing and Packaging machinery and equipment	25
105. Security Monitoring and Surveillance Equipment	50
106. Steel Beams (tons)	2000
107. Steel Channels (tons)	2000
108. Steel Angles (tons)	2000
109. Flat Bars (tons)	2000
110. Round Bars (tons)	2000
111. Square Bars (tons)	2000
112. Forklift	15
113. Tipping Trucks (Tipper)	20
114. Heavy Duty Trucks	15
115. Roof Tile Moulds	25
116. Concrete Blocks/Bricks Moulds	50
117. Doors	100
118. Windows	300
119. Cabinets	300
120. Lighting	2000
121. Electrical equipment	2000
122. Sanitary ware	250
123. Water proofing materials and equipment	100
124. Sound proofing materials and equipment	100
125. Fire proofing materials and equipment	100
126. Corrosion proofing materials and equipment	100
127. Backhoe Loaders	8
128. Excavators	8
129. Articulated Dump Truck	10
130. Bulldozers	8
131. Compactors	8
132. Road Trucks	9
133. Graders	8

Compritel Innovations Enterprises Co. Ltd



134. Telehandlers	6
135. Construction machine and accessories	100
136. Wire drawing machines	50
137. Automatic Electrical panel board	22
138. De-scaling attachment machines	15
139. Stripper	20
140. Drawing powder	Kg 2000



*Approved
Infu*



TICC/PP.10/042154/6

10/01/2012

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042154**

M/S Compritel Innovations Enterprises Co. Limited is a TIC registered company with certificate of incentives **No. 042154** which is valid up to **November 2014**

The company has been registered with objectives of establishing manufacturing plant for construction materials.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TIE

(S)

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD

P.O.Box 70455, DAR ES SALAAM.

The Commissioner for Custom and Excise,
P.O. Box 9050,
Dar Es Salaam.

06th January, 2012.

UFS

Executive Director,
Tanzania Investment Centre,
P.o. Box 938,
Dar Es Salaam.



Dear Sir / Madam,

**RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR
CERTIFICATE OF INCENTIVES NO.042154**

We are TIC approved project with certificate of incentives No; 042154 which is valid up to November 2014.

The Company has been registered with objectives of establishing of manufacturing plant for construction materials.

Attached herewith please find a list of Capital/Deemed Capital Goods for Duty/VAT exemption approved.

Faithfully yours,

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD


Morisia Mbena
Managing Director.



Compritel Innovations Enterprises Co. Ltd



CTIN: 0375021



TANZANIA REVENUE AUTHORITY

**CERTIFICATE OF REGISTRATION
FOR
TAXPAYER IDENTIFICATION NUMBER (TIN)**

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

COMPRITEL INNOVATIONS ENTERPRISES CO LTD.

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

103-970-865

with effect from 03-Oct-2005


Ms. Christine Shekidele

COMMISSIONER FOR INCOME TAX

OFFICIAL SEAL

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

Handwritten signature and date: 30/12/2011



00218308

THE UNITED REPUBLIC OF TANZANIA

Exec. Director
Tanzania Investment Centre

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042154

This is to certify that

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD

of address P.O. BOX 70455

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~XXXXXX~~ or equity of the enterprise known as

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD

Which is located at CHAMASI, MSUFIRI, TEMEKE

DAR ES SALAAM

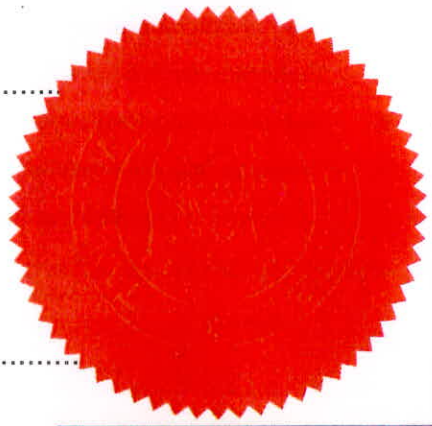
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Handwritten signature of the Executive Director

Ag. Executive Director

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

Dated 30TH DECEMBER 2011



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 (%) |
|----------------|-------------|------------------|
| Prosper Mbena | Tanzanian | 42.31 |
| Fred Mbena | Tanzanian | 19.23 |
| Moreen Prosper | Tanzanian | 19.23 |
| Morisia Mbena | Tanzanian | 19.23 |
2. Proposed Activities : To establish manufacturing plant for construction materials
3. Sector: Manufacturing Subsector Manufacturing of Construction Materials
4. Investment cost: Foreign — Local USD 2.4m. Total USD 2.4m.
5. Project Financing: Equity USD 0.9m. Loans USD 1.5m. Total USD 2.4m.
6. Source, terms and conditions of loan
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|---------|-----------|-----------|
| | — | USD 2.4m. | USD 2.4m. |
8. Technology Agreement None
9. Date of TIC Registration: 30th December 2011
10. Implementation period December 2011 - November 2014
11. Operative date December 2014
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.
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 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- None

Signed 
Ag. Executive Director

PRODUCT LIST

QUANTITY

1.	Continuous Drawing Machine having four Blocks in Tandem of size 24"	4
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7.	Motorized Die-Polishing Machine	4
8.	Stripper	20
9.	19 x 17 pallet size tungsten carbide dies	500
10.	17 x 15 pallet size tungsten carbide dies	500
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12.	Norbide Powder (400gms)	10
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23.	Chamfering Machine	3
24.	Pointing Machine	5
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26.	Staple Machine	4
27.	Chain Bending Machine	3
28.	Crimping Machine	3
29.	CNC Spring Coiling Machine	3
30.	Wire Pay Off	3
31.	Straightening and Cutting Machine	4



32.	Wire and Strip Bending Machine	2
33.	Abrasive Band Grinding Machine	2
34.	Electrolytic Grinding Machine	2
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36.	Double Blow Nail Machines	5
37.	Sheet Metal Cutting Machine	3
38.	Sheet Metal forming Machine	2
39.	Steel Wire Nail rod	2000
40.	PVC Pallets	4000
41.	Bamboo Pallets	4000
42.	Plastic Pallets	4000
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46.	Palletizing System	5
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53.	HPC Cone Crusher	4
54.	SCM Super Micro Mill	4
55.	Jaw Crusher	3
56.	Block and Brick making Plant	4
57.	Aggregate Production Machines	4
58.	Sand making and washing machine	4
59.	Mobile Crusher and equipment	4
60.	Construction waste crushing machine	4
61.	Milling Machines	3
62.	Drilling and Boring Machines	4
63.	Machine Tools	10
64.	Crushing equipment	4
65.	Machining Centres	3



66.	Silo	10
67.	Screw Conveyor	10
68.	Aggregate Weighting System	5
69.	Color Material Weighting System	5
70.	Mixers for Main Material and Color Material	5
71.	Belt Conveyor	10
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73.	10KVA butt welding machine	10
74.	Barbed wire machine	4
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76.	Diamond mesh machine	4
77.	Hexagonal wire netting machine	8
78.	Expanded metal machine	8
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81.	Wire PVC Coating machine	6
82.	Grassland Fence machine	6
83.	Perforated metal machine	6
84.	Galvanized Wire line	6
85.	Reinforcing Mesh Welding machine	6
86.	Coiling Wire machine	6
87.	Cutting Tools	10
88.	Header Dies	1000
89.	Gripping Dies	1000
90.	Die Grinder	10
91.	Auxiliary Machines	10
92.	Wire Nail Polisher	10
93.	Motor Vehicles and Trucks	20
94.	Steel Bars (tons)	2000
95.	Roofing Aluminium Sheets (tons)	2000
96.	Steel Plates (tons)	4000
97.	Iron Bars (tons)	3000
98.	Wire pointing machine	15
99.	Cement (tons)	100000



100. Digital Billboards	30
101. Computers and Processors	100
102. High Tec Computers and Software	100
103. Steel metal Sheets (tons)	20000
104. Packing and Packaging machinery and equipment	25
105. Security Monitoring and Surveillance Equipment	50
106. Steel Beams (tons)	2000
107. Steel Channels (tons)	2000
108. Steel Angles (tons)	2000
109. Flat Bars (tons)	2000
110. Round Bars (tons)	2000
111. Square Bars (tons)	2000
112. Forklift	15
113. Tipping Trucks (Tipper)	20
114. Heavy Duty Trucks	15
115. Roof Tile Moulds	25
116. Concrete Blocks/Bricks Moulds	50
117. Doors	100
118. Windows	300
119. Cabinets	300
120. Lighting	2000
121. Electrical equipment	2000
122. Sanitary ware	250
123. Water proofing materials and equipment	100
124. Sound proofing materials and equipment	100
125. Fire proofing materials and equipment	100
126. Corrosion proofing materials and equipment	100
127. Backhoe Loaders	8
128. Excavators	8
129. Articulated Dump Truck	10
130. Bulldozers	8
131. Compactors	8
132. Road Trucks	9
133. Graders	8



134. Telehandlers	6
135. Construction machine and accessories	100
136. Wire drawing machines	50
137. Automatic Electrical panel board	22
138. De-scaling attachment machines	15
139. Stripper	20
140. Drawing powder	Kg 2000





00218308

4

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042154

This is to certify that

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD

of address P.O. BOX 70455

DAR ES SALAAM

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

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD

Which is located at CHAMASI, MSUFIRI, TEMEKE

DAR ES SALAAM

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

Ag. Executive Director

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

Dated 30TH DECEMBER 2011



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 (%)
Prosper Mbena	Tanzanian	42.31
Fred Mbena	Tanzanian	19.23
Moreen Prosper	Tanzanian	19.23
Morisia Mbena	Tanzanian	19.23
2. Proposed Activities : To establish manufacturing plant for construction materials
3. Sector: Manufacturing Subsector Manufacturing of Construction Materials
4. Investment cost: Foreign — Local USD 2.4m. Total USD 2.4m.
5. Project Financing: Equity USD 0.9m. Loans USD 1.5m. Total USD 2.4m.
6. Source, terms and conditions of loan.....
7. Assets to be invested:

	Foreign	Local	Total
Capital items:	—	USD 2.4m.	USD 2.4m.
8. Technology Agreement None
9. Date of TIC Registration: 30th December 2011
10. Implementation period December 2011 - November 2014
11. Operative date..... December 2014
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)
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14. Conditions attached to this Certificate of Incentives
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 - (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

None

Signed 
Ag. Executive Director

3

TICC/PP.10/042154/3

30th December, 2011

Managing Director,
Compritel Innovations Enterprises Co. Ltd.,
P.O. Box 70455,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF MANUFACTURING PLANT FOR CONSTRUCTION
MATERIALS.**

We wish to acknowledge receipt of your project proposal to establish manufacturing plant for manufacturing construction materials. as presented in the TIC P.A. 1 Form No. 09771 and Feasibility Study with a projected investment of USD 2.4m.

We have studied your project proposal and we 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.

You will 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:-

.../2

TICC/PP.10/042154/3

30th December, 2011

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

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

Yours sincerely,
TANZANIA INVESTMENT CENTRE


R.P. Mbilinyi
AG: EXECUTIVE DIRECTOR

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

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

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



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC005713

No. 000471

Received from : COMPRITEL INNOVATIONS ENTERP. CO. LTD

Address P. O. Box 70455 Dar Es Salaam

Received the sum of (In words): SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY

Being payment in respect of CERTIFICATE OF INCENTIVES

Amount : USD 750.00

Cash / Cheque No: D/Deposit 30/12

Date : 30-Dec-2011

Buisso

Receiving Officer



TIC Evaluation Report

Name of the Company
Compritel Innovations Enterprises Co. Ltd.

Post Box	Chamazi, Msufiri	COI Number	52700	Contact	Mr. Prosper Mbena
Post Office	70455	COI Date	06/06/2005	Designation	Director
Region	Dar Es Salaam	Application F. No	09771	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0786 49 49 49 Or 0719 58 58 58
		Sub Sector	<i>Manufacturing</i> Sub base Materials For Construction <i>Materials</i>	Fax	0
		File No	042154	E-Mail Address	Mangiswai@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Chamasi	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.9</td> <td>0</td> <td>1.5</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.9	0	1.5			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.9		0	1.5									
Street	Msufiri												
District	Temeke												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.2
Prosper Mbena	Tanzanian	42.31	Plant	0.99302
Fred Mbena	Tanzanian	19.23	Vehicles	0.876
Moreen Prosper	Tanzanian	19.23	Furniture & Fittings	0.055
Morisia Mbena	Tanzanian	19.23	Pre-expenses	0.05258
			Others	0.0734
			Working Capital	0.15
			Total	2.4

Employment	60	Evaluated By	wf officer3
Capacity	4000 tonnes	Drawn By	wf registry2
Project Turn Over		Project Type	Local

Description

To establish manufacturing units for sub base materials for constructions Purposes.

Recomendations

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

Decision

Approved

 Ag Ex ID
 29/12/2012

COMPRITEL INNOVATIONS ENTERPRISES CO LTD

P.O. BOX 70455,
Dar es Salaam.

20th Dec, 2011.

Executive director,
Tanzania investment centre,
P.o .box 938,
Dar es salaam.



APPLICATION FOR TIC CERTIFICATE OF INCENTIVES.

Please refer to the above heading.

We are planning to establish road aggregates, Nails/sub base material manufacturing unit

Attached herewith please find:-

- ✓ Business plan and
- ✓ Application form dully filled,
- ✓ Certificate of incorporation,
- ✓ Memorandum and articles of association for your necessary action.
- ✓ Bank reference.
- ✓ Evidence of land(Lease agreements)

Looking forward to receiving your earliest response from your respected office.

Sincerely yours,
COMPRITEL INNOVATIONS ENTERPRISES CO. LTD.

Mbena

.....
Fred Mbena.
MANAGING DIRECTOR





Stanbic Bank

A member of Standard Bank Group

Stanbic Bank Tanzania
Centre Branch
P. O. Box 72647,
DAR ES SALAAM
TANZANIA
Tel: +255222196370
Fax: +255222666301
27/12/2011

Tanzania Investment Centre
Dar es Salaam
Tanzania

Dear Sir/Madam,

RE: CONFIRMATION LETTER – MR. PROSPER JOSEPH MBENA

Reference is made on the captioned subject.

We would like to confirm that **Mr. Prosper Joseph Mbena** is our customer maintaining both USD and TZS Current account numbers 0240026125501 and 0140026125501 respectively. We also like to confirm that the conduct of the both accounts is very good to the bank's entire satisfaction.

Any assistance rendered to our customer will be highly appreciated.

Please note that this information is given in a strict confidence without any liability or responsibility to either the bank or any of its officers.

Yours sincerely,

Edna Kallape

Ag. Head of Private Banking
Private Banking



Stanbic Bank Tanzania Limited

Directors: A.B.S Kilewo (Chairman/Non-Executive), H.K. Senkoro (Non-Executive), A.A. Mufuruki (Non-Executive), B. Awale*** (Managing Director), N. Naidoo ** (Executive), **South African, ***Kenya

COMPRITEL INNOVATIONS ENTERPRISES CO LTD

P.O. BOX 70455,
Dar es Salaam.

EXTRACT OF THE RESOLUTION PASSED IN THE EXTRA ORDINARY
GENERAL MEETING OF M/S COMPRITEL INNOVATIONS
ENTERPRISES CO. LIMITED HELD ON 10TH DEC, 2011 AT 10:00
HOURS.

PRESENT:

Moreen Mbena

Fred Mbena.

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

CERTIFIED TRUE COPY



SIGNATURE

COMPRITEL INNOVATIONS ENTERPRISES CO LTD.

P.o. Box 70455,
Dar es Salaam,
Tanzania.

EXTRACT OF THE RESOLUTION PASSED IN THE EXTRA ORDINARY
GENERAL MEETING OF M/S COMPRITEL INNOVATIONS ENTERPRISES
CO. LIMITED HELD ON 10th Dec, 2011 AT 16:00 HOURS.

PRESENT:

Morisia Mbena.
Moreen Prosper.

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

CERTIFIED TRUE COPY

Mbena

SIGNATURE

0656011166

COMPRITEL INNOVATIONS ENTERPRISES CO LTD.

P.o. Box 70455,
Dar es Salaam,
Tanzania.

20th Dec 2011.

Executive director,
Tanzania investment centre,
P.o .box 938,
Dar es salaam.

APPLICATION FOR TIC CERTIFICATE OF INCENTIVES.

Please refer to the above heading.

We are planning to establish a road aggregates, Nails/sub base material manufacturing unit

Attached herewith please find:-

- ✓ Business plan and
- ✓ Application form dully filled,
- ✓ Certificate of incorporation,
- ✓ Memorandum and articles of association for your necessary action.
- ✓ Bank reference.
- ✓ Evidence of land(Farm)

Looking forward to receiving your earliest response from your respected office.

Sincerely yours,
COMPRITEL INNOVATIONS ENTERPRISES CO.LTD.


.....
Morisia Mbena
MANAGING DIRECTOR



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 PROSPER MBENA
.....
(director/directors/agent of COMPRITEL INNOVATIONS ENTERPRISES CO LTD
.....
(name of business enterprise) apply for registration of Tanzania Investment Centre (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 Chamazi, Tembeke DSM
.....

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 Msumbi, Chamazi Tembeke DSM
.....
4. The Principal Officers of the Company are 1. PROSPER MBENA
2. MORISIA MBENA 3. MOREEN PROSPER 4. FRED MBENA
.....
5. Auditors of the Company are TO BE APPOINTED
.....
6. The authorized share capital of the Company is Tshs./US\$ 250,000,000/-
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tsh.~~/US\$ 2,400,000/-
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 ~~Tsh.~~/US\$ 100/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, PROSPER MIBENA of Post Office Number 70455, DAR

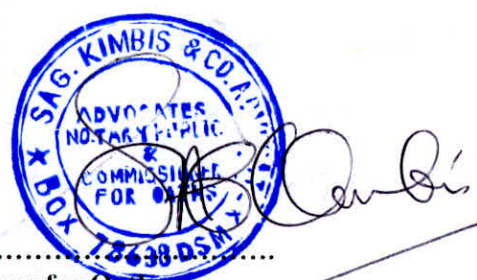
ES SALAAM, do solemnly and sincerely declare that I am a director/duly authorized agent of COMPRETEL INNOVATIONS ENTERPRISES CO. LTD.

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 20th day of Dec 2011 }

Mibena
 Applicant

Before me:



Commissioner for Oaths

APPLICATION SUMMARY

Company Name: COMPRITEL INNOVATIONS ENTERPRISES CO LTD.

Certificate of Incorporation Number: 52700 Status: NEW

Certificate of Incorporation Date: 6th June 2005

Post Box: 70455

Town: DAR ES SALAAM.

Sector: INFRASTRUCTURE/MANUFACTURING Sub-Sector: Subbase materials for Construction

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>900000/-</u>	.....	<u>1500000</u>

Project Objectives: Establishment of manufacturing unit for sub base materials for Construction purposes (Civil & Building).

Capacity: 4000 tonnes.

Employment: Foreign: 5 Local: 55 Total: 60

Implementation Period: 3 yrs.

Project Location

Site/Plot/Block No.: Chamazi, Mbuji

Street: Chamazi District: Femeke Region: Dar es Salaam

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>MORISIA MBENA</u>	<u>Tanzanian</u>	<u>10</u>
<u>MOREEN PROSPER</u>	<u>"</u>	<u>10</u>
<u>FRED MBENA</u>	<u>"</u>	<u>10</u>
<u>PROSPER MBENA</u>	<u>"</u>	<u>22</u>
.....

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

Land/Building	..... 200,000/-
Plant	..... 993,020/-
Vehicles	..... 876,000/-
Furniture & Fittings	..... 55,000/-
Pre-expenses	..... 52,580/-
Others	..... 73,400/-
Working Capital	..... 150,000/-
TOTAL	..... 2400,000/-

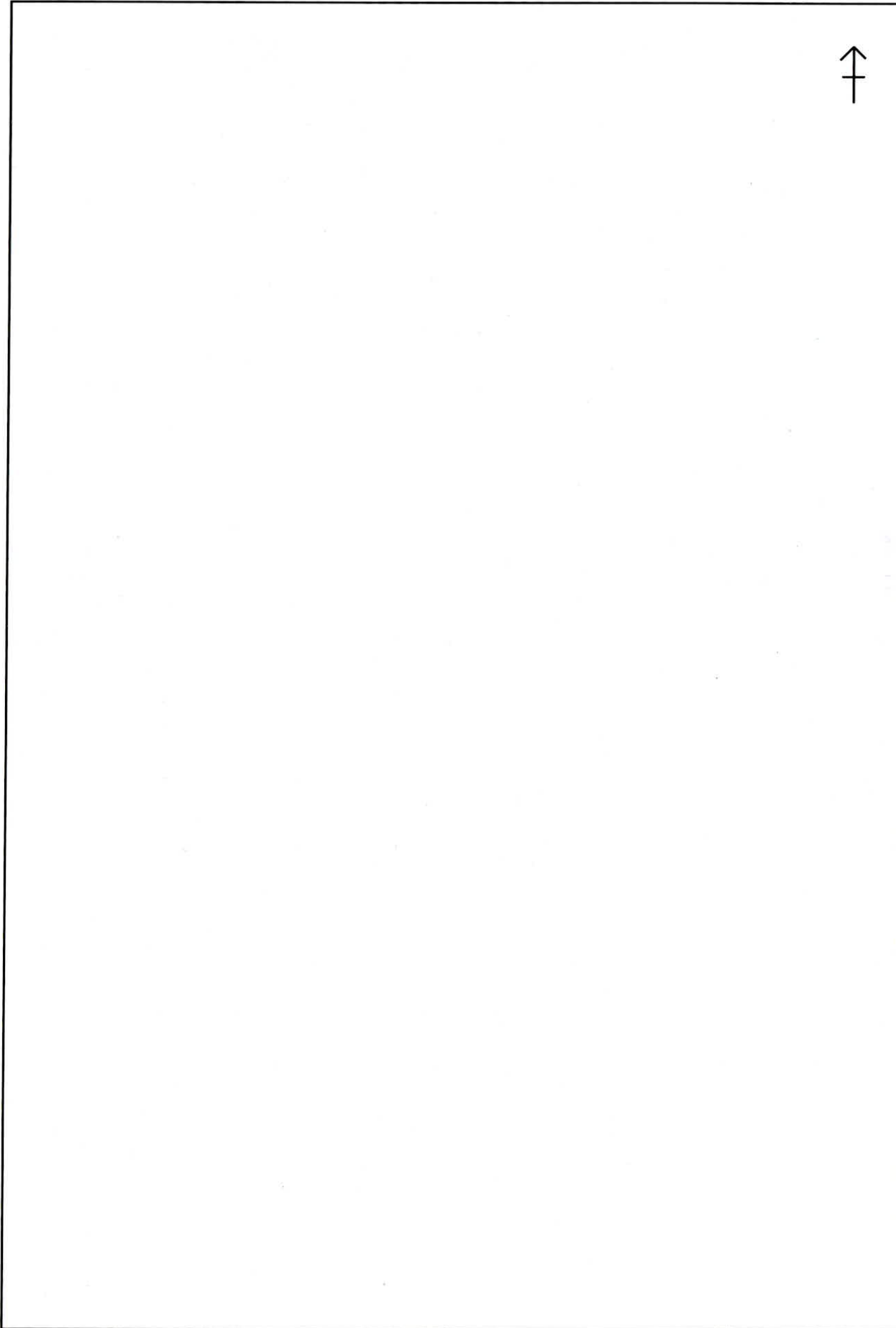
Contact Details:

Name: PROSPER MBENA	Title: DIRECTOR MANAGING
Telephone: 0788 494949 / 0719 585858	Fax: 2180144
Email: mangiswai@jetro.com	

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







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
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DARES SALAAM
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e-mail: information@tic.co.tz
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(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

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(Made under Regulation 42)

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

1. I/We PROSPER MBENA

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(name of business enterprise) apply for registration of Tanzania Investment Centre (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 Chamazi, Temeke DSM

Copies of the following documents are attached to this application:

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- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at Nyufini, Chamazi Temeke DSM

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2. MORISIA MBENA 3. MOREEN PROSPER 4. FRED MBENA

5. Auditors of the Company are TO BE APPOINTED

6. The authorized share capital of the Company is Tshs./US\$ 250,000,000/-

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

is ~~Tsh.~~/US\$ 2,400,000/-

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 ~~Tsh.~~/US\$

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

I, PROSPER MBEWA of Post Office Number 70455, DAR

ES SALAAM, do solemnly and sincerely declare that I am a director/duly authorized agent of COMPRETEL INNOVATIONS ENTERPRISES CO. LTD.

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 20th day of Dec 2011

Mbeva
Applicant

Before me:



Commissioner for Oaths

APPLICATION SUMMARY

Company Name: COMPRITEL INNOVATIONS ENTERPRISES CO LTD.

Certificate of Incorporation Number: 52700 Status: NEW

Certificate of Incorporation Date: 6th June 2005

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Town: DAR ES SALAAM.

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Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>900000/-</u>	.....	<u>1500000</u>

Project Objectives: Establishment of manufacturing unit for sub base materials for construction purposes (Civil & Building)

Capacity: Local homes

Employment: Foreign: 5 Local: 55 Total: 60

Implementation Period: 3 yrs.

Project Location

Site/Plot/Block No.: Chamazi, Mbuji

Street: Chamazi District: Femebe Region: Dar es Salaam
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>MORISIA MBENA</u>	<u>Tanzanian</u>	<u>10</u>
<u>MOREEN PROSPEK</u>	<u>"</u>	<u>10</u>
<u>FRED MBENA</u>	<u>"</u>	<u>10</u>
<u>PROSPEK MBENA</u>	<u>"</u>	<u>22</u>

Investment Breakdown	US\$/Tshs.M
Land/Building	200,000/-
Plant	943,020/-
Vehicles	876,000/-
Furniture & Fittings	55,000/-
Pre-expenses	52,580/-
Others	73,400/-
Working Capital	150,000/-
TOTAL	2400,000/-

Contact Details:

Name: PROSPER MBENA Title: DIRECTOR MANAGING
 Telephone: 0788 441949/0719 585855 Fax: 2180144
 Email: mangiswai@galiso.com

Payments to be made payable to:

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



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

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CERTIFICATE OF INCENTIVES

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The 20th day of Dec 2011

Prosper Mbena
Applicant

Before me:



Commissioner for Oaths

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<u>PROSPER MBENA</u>	<u>"</u>	<u>22</u>

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TOTAL	2400,000/-

Contact Details:

Name: PROSPER MBENA

Title: DIRECTOR MANAGING

Telephone: 0786 441949/0719 686868

Fax: 2180144

Email: manjiswai@jetwo.com

Payments to be made payable to:

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

Prosper J. Mbeni,
P.O.Box 70455,
DAR ES SALAAM

Kumb. Na. PJ/FM/010

8 Novemba, 2000

Mkurugenzi wa Manispaa ya Temeke,
S.L.P. 4643,
DAR ES SALAAM.

Ndugu Mkurugenzi

Kuh: MAOMBI YA KUPIMIWA SHAMBA, CHAMAZI

Naomba kutuma kwako maombi ya kupimiwa shamba langu la muda mrefu, lililopo chamazi Wilayani Temeke.

Nina mipango ya muda mrefu ya matumizi ya shamba hilo ikiwa ni pamoja na ukulima, ufugaji, na shughuli nyingine muhimu zenye kulenga uzalishaji, elimu, afya na kuondoa umaskini.

Naambatanisha nakala za mawasiliano ya siku zilizopita na Ofisi hiyo pamoja na barua ya Wizara ya Ardhi nyumba na Maendeleo Vijijini Kumb. Na. SS/C80/69/17 ya tarehe 17/4/1997.

Natanguliza shukrani zangu.


P.J. Mbeni



ORIGINAL
CERTIFIED AS TRUE COPY

Record
imepelelewa kwa M. Duduma
Temeke tarehe 9/11/2000
pamoja na fees sh. 150 000/-
AM imepokelewa na
Kukatwa Receipt.

JAMHURI YA MUUNGANO WA TANZANIA

WIZARA YA ARDHI, na NYUMBA NA MAENDELEO MIJINI

IDARA YA MAENDELEO MIJINI

S.L.P. 20671.

DAR ES SALAAM

Kumb. Na. SS/C.80/69/17

17 April, 1997

Prosper J. Mbona,

S.L.P. 70455,

DAR ES SALAAM.

YAN: MAOMBI YA KUPIMIWA SHAMBA, CHAMAZI

DAR ES SALAAM

Rejea barua yako ya tarehe 23/9/96 kuhusu somo hilo hapo juu.

Unashauriwa kufika hapa ofisini kuonana na mwandishi wa barua hii, kwa maslekezo ya awali kuhusu suala lako.

Kiny.

(M. K. Mhagama)

kiny: MKURUGENZI WA MAENDELEO MIJINI



CERTIFIED AS TRUE COPY
OF THE ORIGINAL

Kumb. MaCP.C/23/.....

Katibu

Tawi la *MSUFANI*

Kata ya *CHAMAZI*

Wilaya ya *TEMBEKE*

DAR ES SALAM.

Kuhā IDHINI YA KUPIHINA SULTHA LA EKARI ~~12~~ *12*

WA W. HASSAN V. MBENA

Wdugu aliyetajwa hapo juu ameleta naombi ya kutaka kumilikishwa shamba lako lililopo *CHAMAZI* Tawi la *MSUFANI* Kata ya *CHAMAZI* Kabla ya Kamati ya Kipengoni ji hai- japelekewa naombi haya ili iyajadili, uncombwa kutoa maoni yako juu ya mwombaji huyu kufuatana na sehemu anayocombwa kumilikishwa kama shamba.

Baada ya wowe na Diwani wa Kata, kutoa maoni yam mwombaji amudhiso makala ya fomu moja yonye maoni hayo.

Huguel
k.n.y: AFISA HIFAZATI WA J.L.
DAR ES SALAM

Maoni ya Katibu Tawi *Apere*

Maoni ya Diwani: *Apere*

Maoni ya Afisa Ardhi (K) *Apere*

(Kwa matunzi ya Ofisi ta)

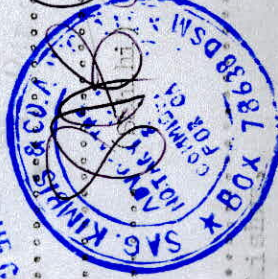
Matunzi ya ardhi inayocombwa ni

.....

.....

.....

THE ORIGINAL
CERTIFIED AS TRUE COPY



**COMPRITEL INNOVATIONS
ENTERPRISES CO.LTD.**

P.O. BOX 70455,
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of
Manufacturing Unit for Constructions aggregates, Nails and Bricks blocks.

In

Chamazi, Temeke Dar es Salaam, Tanzania

Prepared for
M/s COMPRITEL INNOVATIONS ENTERPRISES CO.LTD,
P.O. BOX 70455,
DAR ES SALAAM.

COMPRITEL INNOVATIONS ENTERPRISES CO.LTD

P.O. BOX 70455,
DAR ES SALAAM.

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0.1 Introduction

This feasibility study report is being prepared for M/S COMPRI TEL INNOVATIONS ENTERPRISES CO.LTD. Of P.O. BOX 70455 DAR ES SALAAM., Tanzania hereinafter referred to as CIECL. CIECL has undertaken a project to venture into the manufacturing of sub base materials for construction, including nails productions and other allied products including trading of commodities, transport contractors, air travels and sea travel agents, also clearing and forwarding agents. 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 CIECL. 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 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 CIECL was registered with the Registrar of Companies on 6th of June 2005 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 52700.

Object Clause:

"To carry on the business of constructions of buildings/roads, vibrated blocks, interlocks blocks, nails productions etc, carriers by land, by sea or air and as railway and tramway owners, wharfingers, light men, warehousemen, ship owners, transport, contractors, builders and owners of aircraft and vessels of all kinds, locomotives, traction engines motors, wagons and rolling stock and as shipping agents and forwarders of goods of allied products as well"

Promoters/Shareholders & Directors:

The Shareholders of CIECL are as under:

Name of the Share Holder	Nationality	% Holding
Morisia Mbena P.O.BOX 70455 DAR ES SALAAM	TANZANIAN	10%
Moreen Prosper P.O.BOX 19933 DAR ES SALAAM	TANZANIAN	10%
Fred Mbena P.O.BOX 70455 DAR ES SALAAM	TANZANIAN	10%
Prosper Mbena P.o.Box 70455 Dar es Salaam	Tanzanian	22%

The first directors of the company are:

01. Prosper Mbena
02. Fred Mbena

Location of the Proposed Site:

The site for the business shall be in Chamazi, Temeke Dar es Salaam Region. Since the project is concerned with construction materials, maintain and improve or subscribe towards the construction maintenance and improvement of roads, water-works, cold storage, canals, and also of tramways, railways, and other roads and ways and quays and wharves for the purpose of the Company, or for access to the lands, works and properties of the Company.

Registered Office Address:

Chamazi, MsufiniTemeke. DAR ES SALAAM.,

02. 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.

CIECL is interested in venturing into this area, as they are confident about their latest technology and manufacturing process. CIECL is sure to process high quality constructions products out of the so considered inferior quality products.

A group of individuals have come up together to form a company **Compritel Innovations Enterprises co. Ltd** to address the need for increasing demand for nails in the country. The Company has set up, owns and is managing a **Bricks and Nails Manufacturing Plant**, a small establishment located in Dar Es Salaam that manufactures common wire nails for use in the wood structures and construction and building industries. These include contractors and builders of dwelling houses, hospitals, dispensaries, schools, office blocks and various makes of wooden furniture.

The project will create nearly 60 employment opportunities directly and more than that indirectly. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other construction products, which shall in turn lead to better economy conditions.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant. The project will thus contribute towards the manufacturing sector of the economy. As per the latest findings of CTI (Confederation of Tanzanian Industries), manufacturing contributes less than 10% of contribution towards this sector which is very much welcome by the government. The manufacturing process being undertaken shall also ensure that value addition is being done within the country, which is added advantage.

03. **Project Location & Inputs:-**

Since the project is related to manufacturing of sub base materials for road constructions etc., which is an outcome of specialized processes carried out on raw granite and concrete, the project location preferably has to be near to the raw materials region. Apart from the very fact that the project requires lot of road transport related issues also dictate the location of such projects as being nearer to the source of raw materials.

The promoters reportedly carried out a survey of various areas in Tanzania where such project can be established with minimal obstacles. Their study led them to Tembeke Dar es Salaam region, it also has advantages in terms of availability of adequate local manpower, power and roads also, besides it is easily approachable from Dar es Salaam city centre, which is the main commercial city of Tanzania. Coast shall also prove to be one of the most important markets and as such Dar es Salaam, region enjoys the benefits of being near to the source of raw materials i.e. cement, quarries, sands e.t.c, relatively better infrastructure and also being quite near to the main market.

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.

0.5 **The Market Demand:-**

- 1 Like anywhere else in the world, in Tanzania nails are extensively used in the Construction and Furniture industries. As a result of the explosive growth in recent years in the Construction and Furniture Industries in Tanzania arising from implementation of a number of projects of varying sizes in these two sectors demand for nails has correspondingly been rising. The potential market of nails in Tanzania is about 89,000 tons annually for nails of ½" to 6" length range.
- 2 Currently, Tanzania's demand for nails of various sizes is met through production from five main domestic producers and imports. The domestic producers are Jeje Industries Limited, Cotex Limited, Rehmanji Hardware Limited, M. M Steel and Kinota Foundry Enterprises. Their combined capacity reaches about 60,000 tonnes per annum leaving a gap of more than 29,000 tonnes to be filled by importers.
- 3 With its capacity set at 6,000 tonnes Compritel will just increase overall domestic production of nails by a mere 7%. This capacity is however, scheduled to be expanded to 12,000 tonnes per year after about three years of operations when the workforce is expected to have settled down on their respective jobs and acquired the necessary skills to run the processes.

Sub base materials for construction form the core product line of this project are all sourced from river sands, sometimes floods sands granite stones. These products are being used in construction industry as well as in preparation of industrial and domestic use.

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 8 years and that has resulted into spurt of demand for quality products. The demand has been more pronounced in the basic necessity sector. Granite stones and road construction sector have also shown impressive growth. The products of CIECL form the basic for domestics and road construction industry. It is used in all stages of road construction. It is useful in the initial stage and once the road construction is completed it is required for interior decoration and for creation of useful attachments.

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 Road construction materials; however CIECL envisaged producing concrete and granite stones 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. CIECL 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.

CIECL promoters firmly believe that they will not encounter any major hurdle in marketing their products. 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 CIECL promoters and management are very much sure about the successful operation of the project.

The per capital consumption of Sub base materials for road construction 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 concrete and granite stones products is growing in geometric proportions. CIECL seeks to initiate its activities on the premise of such calculations.

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-versa.

07. Manufacturing Process & Technology: -

The factory to be put-up for manufacture concrete and vibrated bricks blocks, sub base materials, granite stones, concrete etc. for road construction, shall be a very simple and target oriented. Concrete 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 CIECL to increase the factory will maintain a very large open space to accommodate the storage of granite stones received in form of concrete waiting for further processing. In other words, the factory will be not consuming a very large area of land.

The project envisages manufacture of:

- ◆ M.R. Grade Granite Stone (GGS).
- ◆ B.W.P. Grade (bwpg).
- ◆ Film faced concretes;
- ◆ Checkered wall concrete white;
- ◆ Vibrated blocks.
- ◆ Interlocks blocks.
- ◆ Louver blocks.
- ◆ SS Concretes & Culverts
- ◆ Concrete bricks/blocks

The manufacturing process is briefly described as under:

Granite stones from the earmarked area from the source are brought to the factory and put into the concrete form. This is done in order to ensure that

there are no end cracks. This process thus reduces loss of yield. This process assumes more importance in case of this project due to the fact that the granite stones envisaged to be utilized here is of very inferior/perishable quality. As per the study of the promoters the species expected to be utilized have never been utilized up till now in the country. There are nearly 15 such varieties and barring for one or two none of these species have been commercially exploited. In a way this is also one of the edges of this project.

08. Manpower: -

Although the project of manufacturing sub base materials for road constructions 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 concretes within the factory premises. CIECL will hire one expatriate to oversee the operations supported by twenty local workers. 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

CIECL 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.

CIECL 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. CIECL 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	200,000/=

2.	Plant & Machinery	993,020/=
3.	Furniture, Computers & Fixtures	55,000/=
4.	Vehicles	876,000/=
5.	Pre-operating Costs	52,580/=
6.	Others	73,400/=
7.	Initial working capital	150,000/=
	Total Cost of the Project	2,400,000/=

B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	900,000/=
2	Promoters' Loan	1,500,000/=
	Total Means of finance	2,400,000/=

The total cost of the project consisting of both the phases has been estimated at **US \$ 2,400,000/=** as can be seen from the above chart, majority of the expenses involved will be on Plant, Machinery and Vehicles. 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.

Details of Plant & Machinery to be imported is as under:-

Sr. NO.	Description
01	Cranes –
02	Fork Lifts
03	Electrical Hoist
04	Concrete Mixer
05	Concrete vibrator
06	18Tones Lorry
07	Tipping Trucks 7 -8Tones
08	Dumper

09	Theodolite
10	Leveling Equipment
11	Block Making Machine
12	Water Pump
13	Hand compacter
14	Standby Generator
15	Earth moving equipments (Excavators)

Three in-house utility vehicles will be needed to transport the finished goods from the factory to the buyers' place and also for moving the logs within the factory 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 road construction materials, 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 AICL 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 1.5 million dollars and balance amount will be treated as loan from promoters, interest free.

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.

Considering January 2012 as the first month, the first phase is expected to be completed by July 2012 and commercial operations expected from September 2012. Where as the increased production from 100 cubic tones a day to 450 cubic tones as day will be achieved gradually, however optimum capacity will be reached within 24 months.

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

Sr. No	Activity	Completion Period
01	Company Formation, Registering with statutory authorities, like Income tax, VAT NSSF, etc. securing TIC certificate of incentive Industrial license etc.	Dec 2011
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	Jan 2012
03	Order placement for various machineries, recruitment of key personnel.	Jan/Feb 2012.
04	Installation of Machines	Feb 2012
05	Procurement of, Sands, Steel granite stones for initial trial runs as also for future.	March 2012
06	Commencement of Trial Runs	Jun 2012
07	Commencement of commercial Operations.	July/August 2012

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

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	January/February 2013
02	Factory Shed Complete & Plant Layout finalized for implementation.	February 2013
03	Order placement for various machineries, recruitment of key personnel	February/March 2013
04	Installation of Plant & Machines	March/April 2013
05	Procurement of granite stones for initial trial runs and plant commissioning.	May 2013
06	Commencement of Trial Runs	May/June 2013
07	Commencement of Commercial Operations.	May/June 2013

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 1,680/=
- 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 450 cubic tones per day.
- f) Total investment will be US \$ 2,400,000
- g) The project will have own finance
- h) Land will be available on lease in future as and when required.
- i) Import duty exemption and deferment of VAT will be available on import of plant and machinery.

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 \$ 0.62 million in first six months; will go up to US \$ 0.240 millions in the next years and from third year of operation will remain steady at US \$ 1.580 millions.

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 \$ 1.0 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 ratio 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 plant is going to be located in the close proximity of Road Constructions 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 2009, the annual contribution of operational profits shall be turning the tune of US \$ 400,000/=

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 2012) to US \$ 680,000/= (year 2014).

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 2014 and will then onwards contribute to the exchequer in excess of US \$ 150,000/= in the first year and then onwards in excess of US \$ 340,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. Social & Development Benefits:-

Generally it is presumed that a project for manufacture of granite stones or concretes will result into block making. Whilst this is true to a very larger extent, it should be noted that this project plans not to acquire more and more land even for manufacturing.

- ◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 120 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 121 individuals will generate indirect employment for more than 500 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 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. Further the country can reduce its dependence on imports for the finished products manufactured by this project. 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 2014 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 121 individuals and will provide means of livelihood to more than 500 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.

One more advantage of this project is its location. Since it is located at Lugoba, Coast Region, which is not fully developed, will get more opportunities to commercially expand and develop. 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 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 labour force in the country. The labour force will get on -job training and will thus make them more and more competent.
- ◆ The project when implemented in full over a period of 24 months will ensure that there will be a direct flow of foreign currency in the country to the tune of US \$ 1,500,000/= which is considerable by any standard.
- ◆ The project will lead to regional development besides. As it will be located in Coast Region. 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 neighboring Dar es Salaam region.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam and other neighbouring regions.

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.

COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED
INVESTMENT COST

US\$

	FOREIGN	LOCAL	TOTAL
LAND AND BUILDING		200,000	200,000
PLANT AND MACHINERY AND EQUIPMENTS	900,000	93,020	993,020
MOTOR VEHICLE	500,000	376,000	876,000
FURNITURE AND FITTING	0	55,000	55,000
PRE-OPERATIONAL EXPENSES	0	52,580	52,580
INITIAL WORKING CAPITAL	100,000	50,000	150,000
OTHERS		73,400	73,400
TOTAL INVESTMENT COST	1,500,000	900,000	2,400,000

COMPRITEL INNOVATIONS ENTERPRISES LIMITED
DEPRECIATION SCHEDULE

		1	2	3	4	5	6	7	8	9	10
Land and Building	4%	200,000	21,520	21,520	21,520	21,520	21,520	21,520	21,520	21,520	21,520
Workshop Machine & Equipments	12.5	993,000	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Motor vehicle & trucks	25%	876,000	496,325	496,325	496,325	496,325	496,325	496,325	496,325	496,325	496,325
Furniture & equipment	12.50%	55,000	27,343	23,926	20,935	18,318	16,028	14,025	12,272	10,738	9,395
Pre-operational expenses	20%	52,580	2,000	2,000	2,000	2,000					
		2,176,581	557,469	552,695	548,661	545,059	539,907	537,107	534,742	532,630	530,781

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
FINANCING PATTERN

US\$

	FOREIGN	LOCAL	TOTAL
EQUITY FUNDS		900,000	900,000
PPROMOTERS LOANS	1,500,000		
TOTAL	1,500,000	900,000	2,400,000

Appendix IV
COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED

BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	PRICE USD
¹ MOTOR VEHICLES		
PICK UP	1	
HEAVY DUMPERS	11	
LOW LOADERS	2	
TIPPING TRUCKS	8	
TOTAL VEHICLES TO BE PURCHASED	22	876,000

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
WORKING CAPITAL

Appendix VI

(us\$000)											
YEAR	Assump.	1	2	3	4	5	6	7	8	9	10
Stock											
Bricks blocks	3 months	125	141	157	157	157	157	157	157	157	157
	essential										
	packs										
Nails	1 months	29	33	37	37	37	37	37	37	37	37
	requirement										
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

COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED
SALARIES AND WAGES

	NOS.	SALARY PER MONTH	SALARY PER ANNUM
Secretaries	2	250	3,000.00
Mechanics	3	1200	14,400.00
Labours	10	500	6,000.00
Managers	1	1250	15,000.00
Drivers	6	200	8,000.00
Total Salaries	15		46,400.00

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
SALES REVENUE SCHEDULE

Appendix X

	1	2	3	4	5	6	7	8	9	10
Gross Revenue	7,748	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Bricks blocks	4,649.80	5,229	5,881	5,881	5,881	5,881	5,881	5,881	5,881	5,881
20% Nails products	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
20% other income	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Total Gross Revenue	7,748	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685

usd 000

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
PROJECTED PROFIT AND LOSS ACCOUNTS

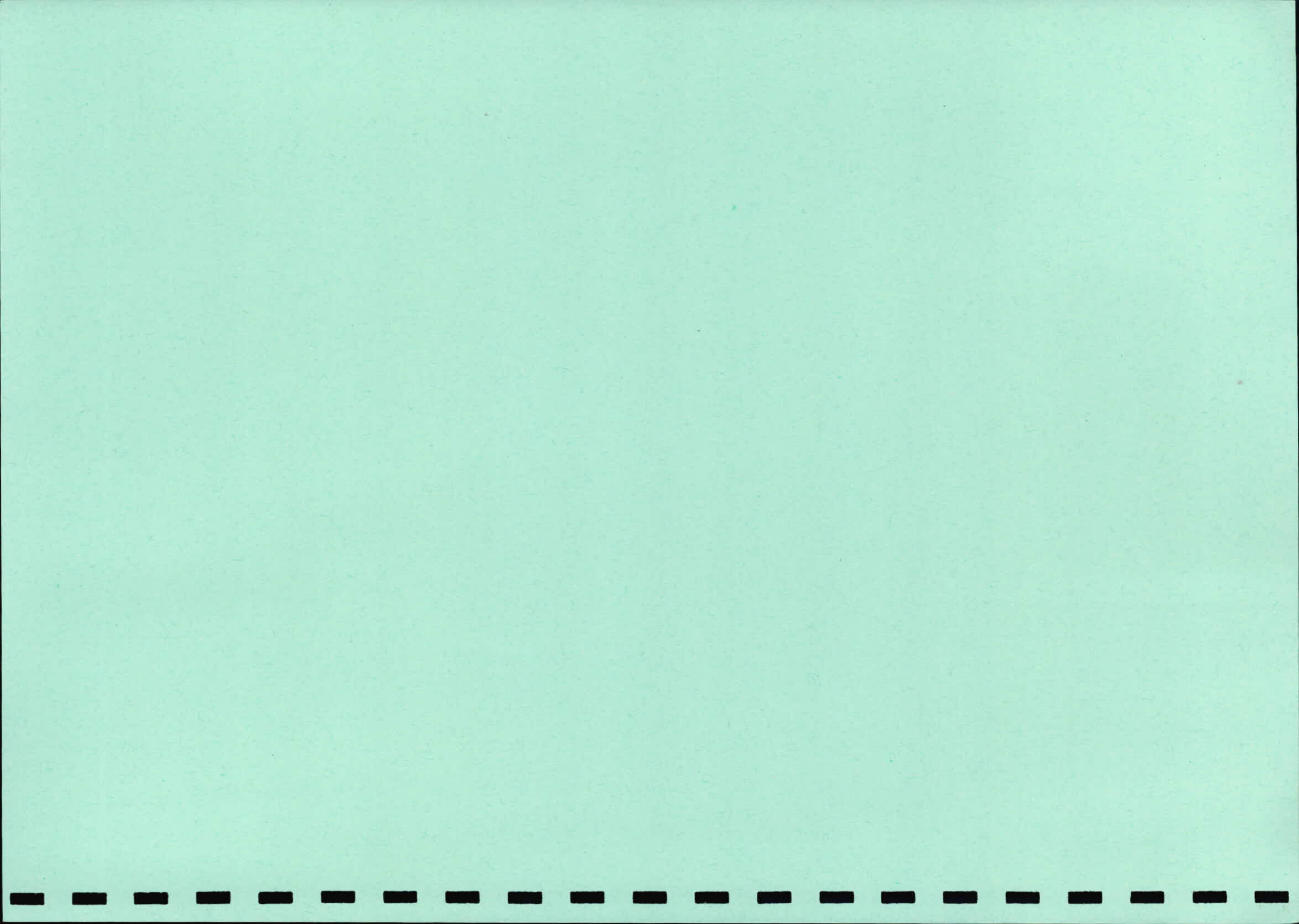
Appendix ix

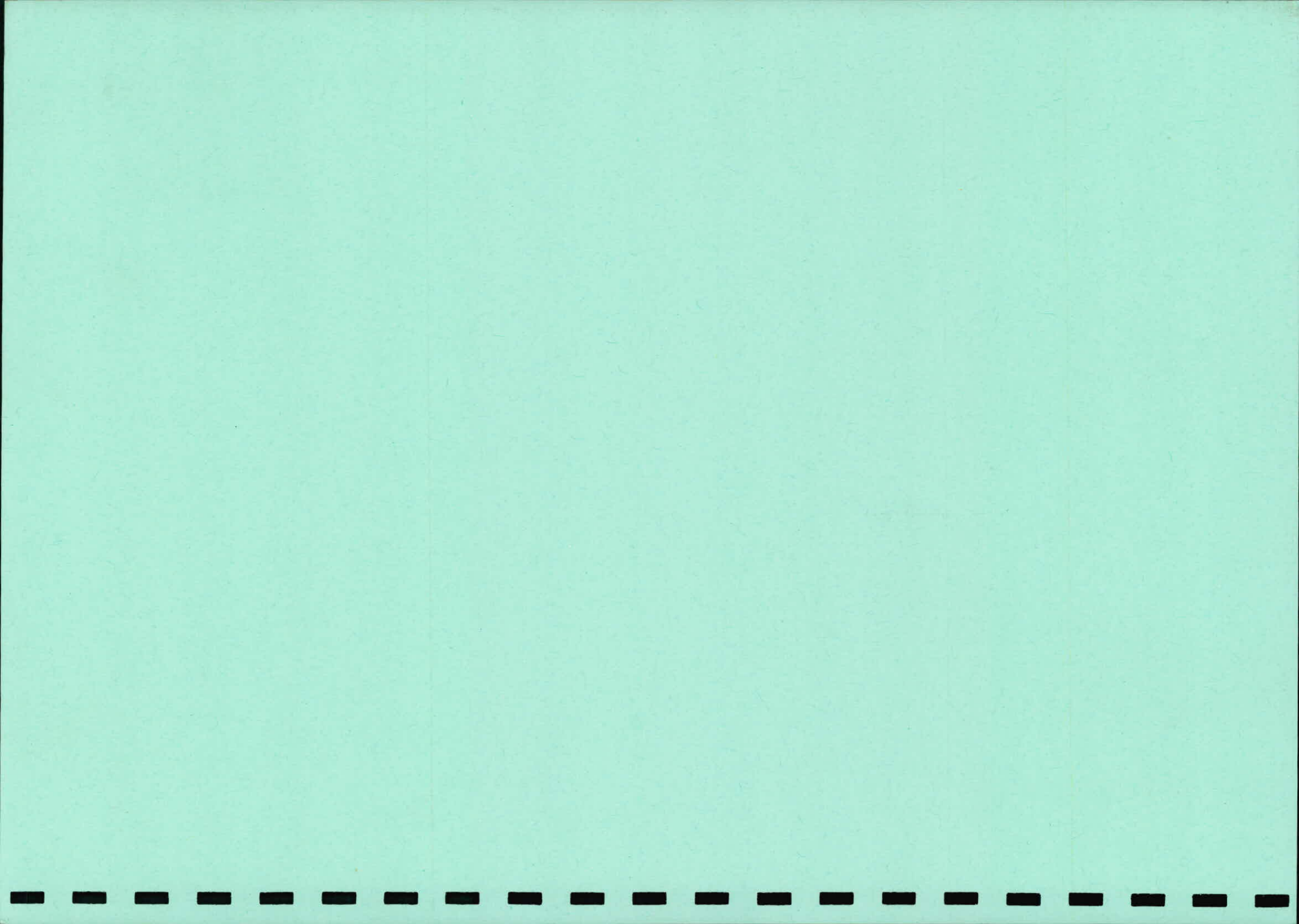
	USD 000									
	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100							
Sales Revenue	2,640	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Operating Expenses										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	148	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,876	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	2,741	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	2,913	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	2,913	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659	48,907

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
PROJECTED PROFIT CASHFLOW

Appendix XI

	US\$000										
	0	1	2	3	4	5	6	7	8	9	10
CASH INFLOW											
Capital inflow											
Equity	2,400										
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	2,400	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
CASH INFLOW											
Investment	2,400	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
OUTFLOW											
Taxation	400	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	2000	43	46								
Total Cash Outflow	2,400	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





**COMPRITEL INNOVATIONS
ENTERPRISES CO.LTD.**

P.O. BOX 70455,
DAR ES SALAAM.

Feasibility Study Report

On

Establishment of
Manufacturing Unit for Constructions aggregates, Nails and Bricks blocks.

In

Chamazi, Temeke Dar es Salaam, Tanzania

Prepared for
M/s COMPRITEL INNOVATIONS ENTERPRISES CO.LTD,
P.O. BOX 70455,
DAR ES SALAAM.

COMPRITEL INNOVATIONS ENTERPRISES CO.LTD

P.O. BOX 70455,
DAR ES SALAAM.

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0.1 Introduction

This feasibility study report is being prepared for M/S COMPRI TEL INNOVATIONS ENTERPRISES CO.LTD. Of P.O. BOX 70455 DAR ES SALAAM,, Tanzania hereinafter referred to as CIECL. CIECL has undertaken a project to venture into the manufacturing of sub base materials for construction, including nails productions and other allied products including trading of commodities, transport contractors, air travels and sea travel agents, also clearing and forwarding agents. 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 CIECL. Most of the data has been compiled 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 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 CIECL was registered with the Registrar of Companies on 6th of June 2005 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 52700.

Object Clause:

"To carry on the business of constructions of buildings/roads, vibrated blocks, interlocks blocks, nails productions etc, carriers by land, by sea or air and as railway and tramway owners, wharfingers, light men, warehousemen, ship owners, transport, contractors, builders and owners of aircraft and vessels of all kinds, locomotives, traction engines motors, wagons and rolling stock and as shipping agents and forwarders or goods of allied products as well"

Promoters/Shareholders & Directors:

The Shareholders of CIECL are as under:

Name of the Share Holder	Nationality	% Holding
Morisia Mbeni P.O.BOX 70455 DAR ES SALAAM	TANZANIAN	10%
Moreen Prosper P.O.BOX 19933 DAR ES SALAAM	TANZANIAN	10%
Fred Mbeni P.O.BOX 70455 DAR ES SALAAM	TANZANIAN	10%
Prosper Mbeni P.o.Box 70455 Dar es Salaam	Tanzanian	22%

The first directors of the company are:

01. Prosper Mbeni
02. Fred Mbeni

Location of the Proposed Site:

The site for the business shall be in Chamazi, Temeke Dar es Salaam Region. Since the project is concerned with construction materials, maintain and improve or subscribe towards the construction maintenance and improvement of roads, water-works, cold storage, canals, and also of tramways, railways, and other roads and ways and quays and wharves for the purpose of the Company, or for access to the lands, works and properties of the Company.

Registered Office Address:

Chamazi, MsufiniTemeke. DAR ES SALAAM.,

02. 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.

CIECL is interested in venturing into this area, as they are confident about their latest technology and manufacturing process. CIECL is sure to process high quality constructions products out of the so considered inferior quality products.

A group of individuals have come up together to form a company **Compritel Innovations Enterprises co. Ltd** to address the need for increasing demand for nails in the country. The Company has set up, owns and is managing a **Bricks and Nails Manufacturing Plant**, a small establishment located in Dar Es Salaam that manufactures common wire nails for use in the wood structures and construction and building industries. These include contractors and builders of dwelling houses, hospitals, dispensaries, schools, office blocks and various makes of wooden furniture.

The project will create nearly 60 employment opportunities directly and more than that indirectly. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other construction products, which shall in turn lead to better economy conditions.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant. The project will thus contribute towards the manufacturing sector of the economy. As per the latest findings of CTI (Confederation of Tanzanian Industries), manufacturing contributes less than 10% of contribution towards this sector which is very much welcome by the government. The manufacturing process being undertaken shall also ensure that value addition is being done within the country, which is added advantage.

03. **Project Location & Inputs:-**

Since the project is related to manufacturing of sub base materials for road constructions etc., which is an outcome of specialized processes carried out on raw granite and concrete, the project location preferably has to be near to the raw materials region. Apart from the very fact that the project requires lot of road transport related issues also dictate the location of such projects as being nearer to the source of raw materials.

The promoters reportedly carried out a survey of various areas in Tanzania where such project can be established with minimal obstacles. Their study led them to Temeke Dar es Salaam region, it also has advantages in terms of availability of adequate local manpower, power and roads also, besides it is easily approachable from Dar es Salaam city centre, which is the main commercial city of Tanzania. Coast shall also prove to be one of the most important markets and as such Dar es Salaam, region enjoys the benefits of being near to the source of raw materials i.e. cement, quarries, sands e.t.c, relatively better infrastructure and also being quite near to the main market.

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.

0.5 **The Market Demand:-**

- 1 Like anywhere else in the world, in Tanzania nails are extensively used in the Construction and Furniture industries. As a result of the explosive growth in recent years in the Construction and Furniture Industries in Tanzania arising from implementation of a number of projects of varying sizes in these two sectors demand for nails has correspondingly been rising. The potential market of nails in Tanzania is about 89,000 tons annually for nails of ½" to 6" length range.
- 2 Currently, Tanzania's demand for nails of various sizes is met through production from five main domestic producers and imports. The domestic producers are Jeje Industries Limited, Cotex Limited, Rehmanji Hardware Limited, M. M Steel and Kinota Foundry Enterprises. Their combined capacity reaches about 60,000 tonnes per annum leaving a gap of more than 29,000 tonnes to be filled by importers.
- 3 With its capacity set at 6,000 tonnes Compritel will just increase overall domestic production of nails by a mere 7%. This capacity is however, scheduled to be expanded to 12,000 tonnes per year after about three years of operations when the workforce is expected to have settled down on their respective jobs and acquired the necessary skills to run the processes.

Sub base materials for construction form the core product line of this project are all sourced from river sands, sometimes floods sands granite stones. These products are being used in construction industry as well as in preparation of industrial and domestic use.

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 8 years and that has resulted into spurt of demand for quality products. The demand has been more pronounced in the basic necessity sector. Granite stones and road construction sector have also shown impressive growth. The products of CIECL form the basic for domestics and road construction industry. It is used in all stages of road construction. It is useful in the initial stage and once the road construction is completed it is required for interior decoration and for creation of useful attachments.

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 Road construction materials; however CIECL envisaged producing concrete and granite stones 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. CIECL 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.

CIECL promoters firmly believe that they will not encounter any major hurdle in marketing their products. 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 CIECL promoters and management are very much sure about the successful operation of the project.

The per capital consumption of Sub base materials for road construction 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 concrete and granite stones products is growing in geometric proportions. CIECL seeks to initiate its activities on the premise of such calculations.

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-versa.

07. Manufacturing Process & Technology: -

The factory to be put-up for manufacture concrete and vibrated bricks blocks, sub base materials, granite stones, concrete etc. for road construction, shall be a very simple and target oriented. Concrete 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 CIECL to increase the factory will maintain a very large open space to accommodate the storage of granite stones received in form of concrete waiting for further processing. In other words, the factory will be not consuming a very large area of land.

The project envisages manufacture of:

- ◆ M.R. Grade Granite Stone (GGS).
- ◆ B.W.P. Grade (bwpg).
- ◆ Film faced concretes;
- ◆ Checkered wall concrete white;
- ◆ Vibrated blocks.
- ◆ Interlocks blocks.
- ◆ Louver blocks.
- ◆ SS Concretes & Culverts
- ◆ Concrete bricks/blocks

The manufacturing process is briefly described as under:

Granite stones form the earmarked area from the source are brought to the factory and put into the concrete form. This is done in order to ensure that

there are no end cracks. This process thus reduces loss of yield. This process assumes more importance in case of this project due to the fact that the granite stones envisaged to be utilized here is of very inferior/perishable quality. As per the study of the promoters the species expected to be utilized have never been utilized up till now in the country. There are nearly 15 such varieties and barring for one or two none of these species have been commercially exploited. In a way this is also one of the edges of this project.

08. Manpower: -

Although the project of manufacturing sub base materials for road constructions 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 concretes within the factory premises. CIECL will hire one expatriate to oversee the operations supported by twenty local workers. 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

CIECL 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.

CIECL 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. CIECL 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	200,000/=

2.	Plant & Machinery	993,020/=
3.	Furniture, Computers & Fixtures	55,000/=
4.	Vehicles	876,000/=
5.	Pre-operating Costs	52,580/=
6.	Others	73,400/=
7.	Initial working capital	150,000/=
	Total Cost of the Project	2,400,000/=

B. Means of Finance:-

Sr. NO.	Details	US \$
1	Equity Funds	900,000/=
2	Promoters' Loan	1,500,000/=
	Total Means of finance	2,400,000/=

The total cost of the project consisting of both the phases has been estimated at **US \$ 2,400,000/=** as can be seen from the above chart, majority of the expenses involved will be on Plant, Machinery and Vehicles. 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.

Details of Plant & Machinery to be imported is as under:-

Sr. NO.	Description
01	Cranes –
02	Fork Lifts
03	Electrical Hoist
04	Concrete Mixer
05	Concrete vibrator
06	18Tones Lorry
07	Tipping Trucks 7 -8Tones
08	Dumper

09	Theodolite
10	Leveling Equipment
11	Block Making Machine
12	Water Pump
13	Hand compacter
14	Standby Generator
15	Earth moving equipments (Excavators)

Three in-house utility vehicles will be needed to transport the finished goods from the factory to the buyers' place and also for moving the logs within the factory 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 road construction materials, 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 AICL 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 1.5 million dollars and balance amount will be treated as loan from promoters, interest free.

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.

Considering January 2012 as the first month, the first phase is expected to be completed by July 2012 and commercial operations expected from September 2012. Where as the increased production from 100 cubic tones a day to 450 cubic tones as day will be achieved gradually, however optimum capacity will be reached within 24 months.

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

Sr. No	Activity	Completion Period
01	Company Formation, Registering with statutory authorities, like Income tax, VAT NSSF, etc. securing TIC certificate of incentive Industrial license etc.	Dec 2011
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	Jan 2012
03	Order placement for various machineries, recruitment of key personnel.	Jan/Feb 2012.
04	Installation of Machines	Feb 2012
05	Procurement of, Sands, Steel granite stones for initial trial runs as also for future.	March 2012
06	Commencement of Trial Runs	Jun 2012
07	Commencement of commercial Operations.	July/August 2012

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

Sr. NO.	Activity	Completion Period
01	Site Mobilization & Factory Construction	January/February 2013
02	Factory Shed Complete & Plant Layout finalized for implementation.	February 2013
03	Order placement for various machineries, recruitment of key personnel	February/March 2013
04	Installation of Plant & Machines	March/April 2013
05	Procurement of granite stones for initial trial runs and plant commissioning.	May 2013
06	Commencement of Trial Runs	May/June 2013
07	Commencement of Commercial Operations.	May/June 2013

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 1,680/=
- 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 450 cubic tones per day.
- f) Total investment will be US \$ 2,400,000
- g) The project will have own finance
- h) Land will be available on lease in future as and when required.
- i) Import duty exemption and deferment of VAT will be available on import of plant and machinery.

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 \$ 0.62 million in first six months; will go up to US \$ 0.240 millions in the next years and from third year of operation will remain steady at US \$ 1.580 millions.

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 \$ 1.0 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 ratio 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 plant is going to be located in the close proximity of Road Constructions 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 2009, the annual contribution of operational profits shall be turning the tune of US \$ 400,000/=

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 2012) to US \$ 680,000/= (year 2014).

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 2014 and will then onwards contribute to the exchequer in excess of US \$ 150,000/= in the first year and then onwards in excess of US \$ 340,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. Social & Development Benefits:-

Generally it is presumed that a project for manufacture of granite stones or concretes will result into block making. Whilst this is true to a very larger extent, it should be noted that this project plans not to acquire more and more land even for manufacturing.

- ◆ Employment creation

As has been observed earlier this project will provide direct employment opportunities to more than 120 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 121 individuals will generate indirect employment for more than 500 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 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. Further the country can reduce its dependence on imports for the finished products manufactured by this project. 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 2014 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 121 individuals and will provide means of livelihood to more than 500 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.

One more advantage of this project is its location. Since it is located at Lugoba, Coast Region, which is not fully developed, will get more opportunities to commercially expand and develop. 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 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 labour force in the country. The labour force will get on -job training and will thus make them more and more competent.
- ◆ The project when implemented in full over a period of 24 months will ensure that there will be a direct flow of foreign currency in the country to the tune of US \$ 1,500,000/= which is considerable by any standard.
- ◆ The project will lead to regional development besides. As it will be located in Coast Region. 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 neighboring Dar es Salaam region.
- ◆ It will provide cascading positive impact on the economic situation in Dar es Salaam and other neighbouring regions.

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.

COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED
INVESTMENT COST

	FOREIGN	LOCAL	TOTAL
LAND AND BUILDING		200,000	200,000
PLANT AND MACHINERY AND EQUIPMENTS	900,000	93,020	993,020
MOTOR VEHICLE	500,000	376,000	876000
FURNITURE AND FITTING	0	55,000	55000
PRE-OPERATIONAL EXPENSES	0	52,580	52580
INITIAL WORKING CAPITAL	100,000	50,000	150000
OTHERS		73,400	73400
TOTAL INVESTMENT COST	1,500,000	900,000	2,400,000

US\$

COMPRITEL INNOVATIONS ENTERPRISES LIMITED
DEPRECIATION SCHEDULE

		1	2	3	4	5	6	7	8	9	10
Land and Building	4%	200,000	21,520	21,520	21,520	21,520	21,520	21,520	21,520	21,520	21,520
Workshop Machine & Equipments	12.5	993,000	10,281	8,924	7,881	6,896	6,034	5,237	4,625	4,047	3,541
Motor vehicle & trucks	25%	876,000	496,325	496,325	496,325	496,325	496,325	496,325	496,325	496,325	496,325
Furniture & equipment	12.50%	55,000	27,343	23,926	20,935	18,318	16,028	14,025	12,272	10,738	9,395
Pre-operational expenses	20%	52,580	2,000	2,000	2,000	2,000					
		2,176,581	557,469	552,695	548,661	545,059	539,907	537,107	534,742	532,630	530,781

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
FINANCING PATTERN

US\$

	FOREIGN	LOCAL	TOTAL
EQUITY FUNDS		900,000	900,000
PPROMOTERS LOANS	1,500,000		
TOTAL	1,500,000	900,000	2,400,000

Appendix IV
COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED

BREAK-DOWN OF VEHICLES TO BE PURCHASED

	UNITS	PRICE USD
1 MOTOR VEHICLES		
PICK UP	1	
HEAVY DUMPERS	11	
LOW LOADERS	2	
TIPPING TRUCKS	8	
TOTAL VEHICLES TO BE PURCHASED	22	876,000

COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED
OPERATING COSTS

Appendix V

	1	2	3	4	5	6	7	8	9	10
Repair & Maintenance	51,890	54,630	54,630	54,630	54,630	54,630	54,630	54,630	54,630	54,630
Fuel Oil	25,740	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590	28,590
Administration	6,860	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740	7,740
Insurance	4,560	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Direct Fees	1,900	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950	1,950
Other direct costs	5,490	6,182	6,182	6,182	6,182	6,182	6,182	6,182	6,182	6,182
Utilities	42,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Salaries and Wages	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Total Operating Costs	186,440	200,592	200,592	200,592	200,592	200,592	200,592	200,592	200,592	200,592

US\$

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
WORKING CAPITAL

Appendix VI

YEAR	Assump.	1	2	3	4	5	6	7	8	9	10
Stock											
Bricks blocks	3 months	125	141	157	157	157	157	157	157	157	157
	essential										
	packs										
Nails	1 months	29	33	37	37	37	37	37	37	37	37
	requirement										
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							

(us\$000)

Appendix VII

COMPRITEL INNOVATIONS ENTERPRISES CO. LIMITED
SALARIES AND WAGES

	NOS.	SALARY PER MONTH	SALARY PER ANNUM
Secretaries	2	250	3,000.00
Mechanics	3	1200	14,400.00
Labours	10	500	6,000.00
Managers	1	1250	15,000.00
Drivers	6	200	8,000.00
Total Salaries	15		46,400.00

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
SALES REVENUE SCHEDULE

Appendix X

	1	2	3	4	5	6	7	8	9	10
Gross Revenue	7,748	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Bricks blocks	4,649.80	5,229	5,881	5,881	5,881	5,881	5,881	5,881	5,881	5,881
20% Nails products	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
20% other income	1,549	1,743	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176
Total Gross Revenue	7,748	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685

usd 000

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
PROJECTED PROFIT AND LOSS ACCOUNTS

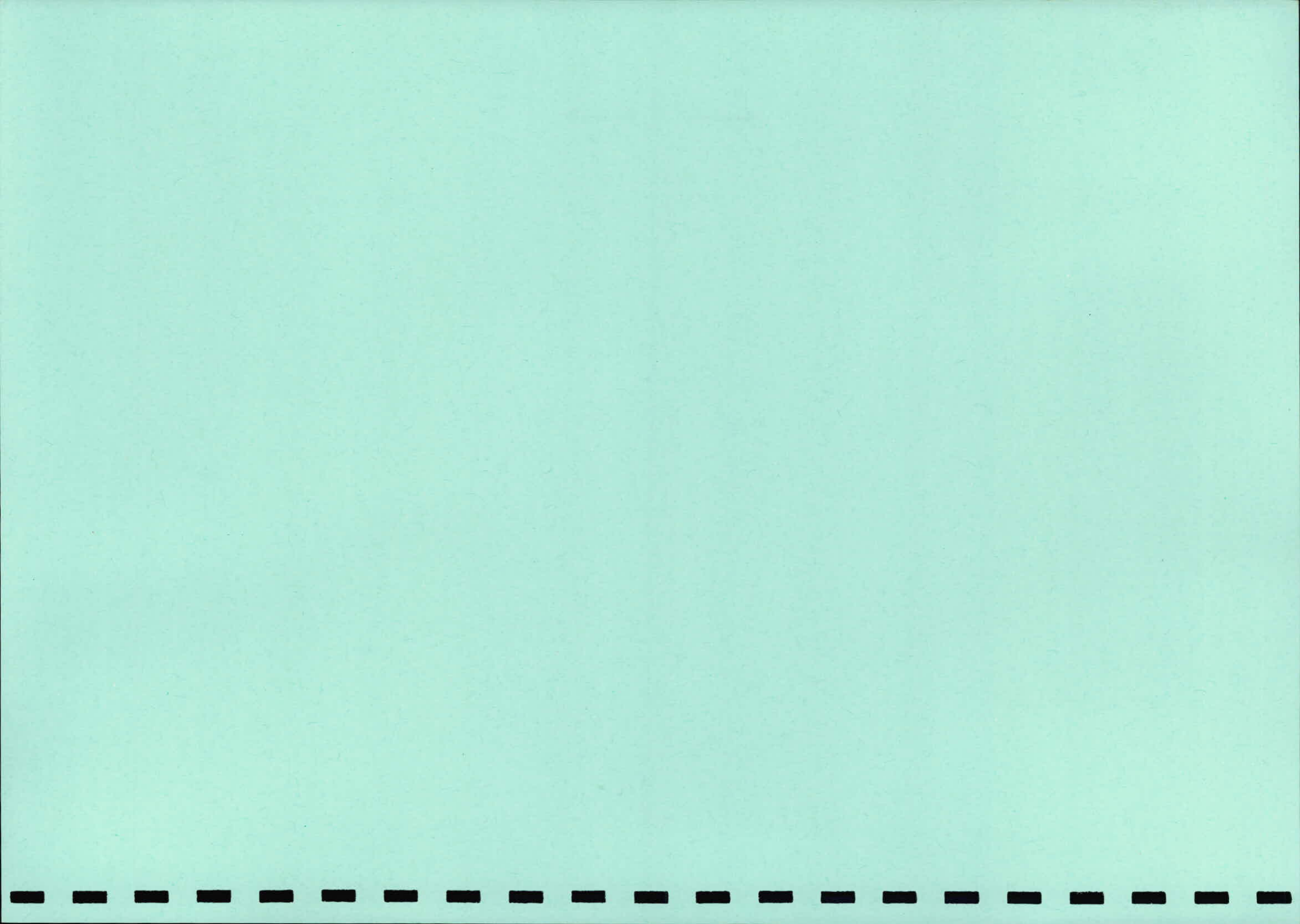
Appendix ix

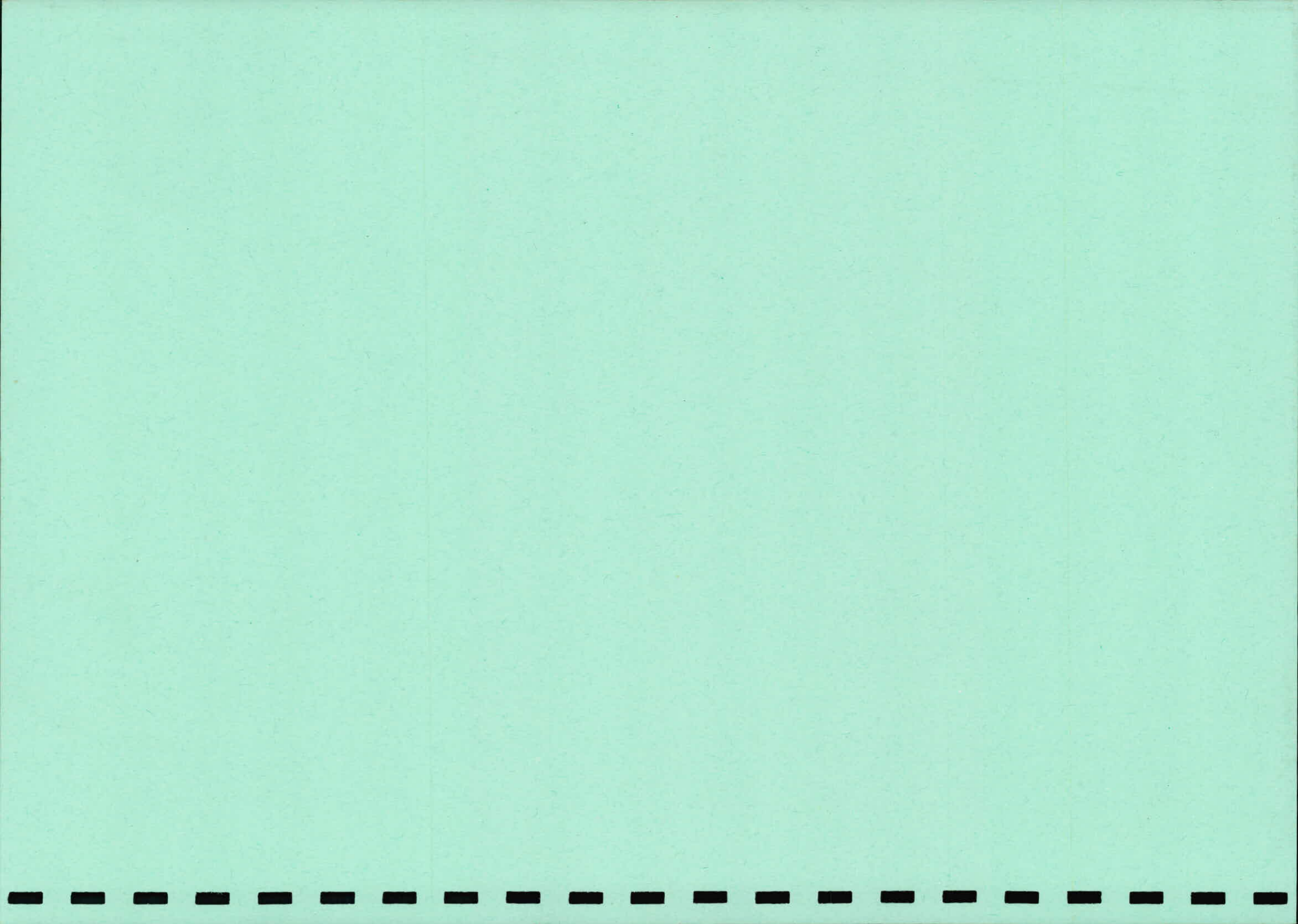
	USD 000									
	1	2	3	4	5	6	7	8	9	10
Capacity Utilisation	80	90	100							
Sales Revenue	2,640	8,716	9,685	9,685	9,685	9,685	9,685	9,685	9,685	9,685
Operating Expenses										
Overhead Expenses	887	1,352	1,501	1,501	1,501	1,501	1,501	1,501	1,501	1,501
Salaries and Wages	148	148	148	148	148	148	148	148	148	148
Total Operating Expenses	1,876	1,500	1,649	1,649	1,649	1,649	1,649	1,649	1,649	1,649
Total Operating Profit	2,741	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	2,913	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	2,913	6,937	12,175	17,416	22,660	27,907	33,156	38,407	43,659	48,907

COMPRITEL INNOVATIONS ENTERPRISES CO. LTD
PROJECTED PROFIT CASHFLOW

Appendix XI

	US\$000										
	0	1	2	3	4	5	6	7	8	9	10
CASH INFLOW											
Capital inflow											
Equity	2,400										
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	2,400	6,713	7,216	8,036	8,036	8,036	8,036	8,036	8,036	8,036	8,036
CASH INFLOW											
Investment	2,400	-	-	-	-	-	-	-	-	-	-
Re-Investment	0	-	-	-	-	-	-	-	-	-	-
OUTFLOW											
Taxation	400	1,998	2,245	2,46	2,247	2,249	2,250	2,251	2,251	2,251	2,251
Increase in W/C	2000	43	46								
Total Cash Outflow	2,400	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





THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

OF

**COMPRITEL INNOVATIONS ENTERPRISES COMPANY
LIMITED**

Incorporated this..... Day of.....2005

Drawn by:

Prosper Mbena

(Subscriber)

P. O. Box 70455

DAR ES SALAAM

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

**MEMORANDUM
AND
ARTICLES OF ASSOCIATION**

OF

**COMPRITEL INNOVATIONS ENTERPRISES COMPANY
LIMITED**

Incorporated this..... Day of.....2005

Drawn by:

Prosper Mbena

(Subscriber)

P. O. Box 70455

DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF INCORPORATION

No.

I HEREBY CERTIFY THAT

**COMPRITEL INNOVATIONS ENTERPRISES
COMPANY 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 Five

Registrar of Companies

TANZANIA

Stamp Duty Shs. 25000/-
PAID ON ORIGINAL
Receipt No. 227777 of 6/10/01

Stamp Duty Officer

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

COMPRITEL INNOVATIONS ENTERPRISES COMPANY LIMITED

TANZANIA

Stamp Duty Shs. 25000/- Paid
Receipt No. 227777 of 6/10/01

Asst Registrar of Companies

1. The name of the company is **COMPRITEL INNOVATIONS ENTERPRISES COMPANY 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: -
 - a) 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
 - b) To own, hire, operate transport facilities including trucks, lorries, saloon cars, combies, Carries, taxis, aero plane and ships including steamers, barge boats and tug-boats for the express or implied purpose carrying or ferrying cargo, passengers, tourist and to act as transport and general haulage contractors and consultants, tour operators, travel agents, clearing and forwarding agents and to own, lease or hire godowns, warehouses, bonded warehouses, goods sheds and seal like facilities for the purpose of storing, preserving, packaging and repacking goods, cargo and all other articles and goods whatsoever to facilitate transportation, air freight and general delivery thereof whatsoever to customers and owners.
 - c) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize 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, harboring, transporting, wildlife and marine products of all kind.
 - d) To carry on the business as general traders and trading agents, procurement and investments consultants, business management consultants, information technology consultants, clearing and forwarding agents, commission agents, manufacturers and supplies representatives and generally to be transshipments and shipping agents.

- e) 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.
- f) To carry on all or any of the business of stationeries, printers, lithographers, stereotypes, engraves, photographic printers, typesetting machines operators, die sinkers, envelopes makers, bookbinders, account book manufacturers machines, rulers, numerical printers, paper makers, paper baffles and account book makers, box makers, flat and box file makers, card board manufacturers, type founders, photographers,
- g) To carry on the business as traders, suppliers, general merchants, stockiest, wholesalers, retailers and dealers in all types of spare parts and maintenance, tires, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, electrical goods, hardware, building materials, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- h) To act as consultants in, and carry business as, tour agents, tour operators and organizers, publishers of tour guide maps, and brochures and for those purposes to promote, arrange, organize, conduct and facilitate tourism in Tanzania and elsewhere, and to promote, arrange facilitate, and operate tours and national and international travel by land, air and water, and to provide all such facilities, advantages and conveniences as may be considered necessary or incidental thereto.
- i) 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.
- j) To carry on all or any of the business of stationeries, printers, lithographers, stereotypes, engraves, photographic printers, typesetting machines operators, die sinkers, envelopes makers, bookbinders, account book manufacturers machines, rulers, numerical printers, paper makers, paper baffles and account book makers, box makers, flat and box file makers, card board manufacturers, type founders, photographers,

- k) To engage and or carry on the business of general civil works, engineering, road constructions, buildings, renovations, office practitioners, decorators, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and generally to be designers and
- l) To carry on the business of building and civil engineering contractors, designers of buildings, roads, civil and road engineering works, structural maintenance, contractors, architects and quantity surveyors, painters, decorators, plumbers, grazers, metal and alloy workers, fineries and engineers, electricians, warehousemen, harbingers and dealers in hardware, sanitary ware, plants appliances and fittings, tiles, pipes, earthen ware goods, cement concrete workers and building materials and requisites of every kind.
- m) To engage in all business related to real estate, estate agents construction as contractors, living houses, warehouses, roads, bridges and other building and repair works.
- n) To carry on the business of providing security services to individual residences and premises belonging to individuals, companies, corporations, local authority, government institutions, bodies politic, and all bodies corporate or unincorporated and in particular to provide security guards, security alarm systems and communication systems against burglary, fire, sudden illness or any other kind of emergencies whatsoever.
- o) To carry on the business of buying scrap metals which may be used in manufacture of other types of metal products and sell the surplus locally or through export.
- p) To carry on the business of manufacturing of different types of metal products including but not limited to bolts and nuts of all types and size.
- q) To acquire the necessary machinery for the said manufacture either by importation or buying them locally.
- r) To open up distribution center such as shops for wholesale and retail for the manufactured and imported products.
- s) To carry on the business exportation and importation of metal product
- t) To purchase, take on lease or exchange, or acquire by license, concession, grant, or otherwise, any lands, mines, mineral rights, buildings, easements, rights and privileges, machinery, plant, which the company may from time to time think proper to be acquired for any of its purposes.
- u) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, 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

- v) To carry on the business of buyers, sellers, importers, exporters, manufacturers, dealers/ manufacturer representative and hirers of motor cars, motor vans, lorries, buses, motor coaches, vehicles bodies, engines, machinery and other chattels, implements, utensils, apparatus, motorcycles, bicycles, tractors, and other agricultural implements, garage tools and other equipments, motor spare parts, accessories, tires, tubes, cements solutions, lubricants, fuel and other oils petroleum of all kinds and to carry on the business of garage proprietors.
- w) To develop the resources of 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.
- x) 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.
- y) 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.
- z) To amalgamate or enter into a joint venture with any other company or firm, be it foreign or local having similar objects.
- aa) 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.
- bb) 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.

- cc) 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.
- dd) 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.
- ee) 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.
- ff) 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.
- gg) To procure the Company to be registered or recognized in any part of the world outside the United Republic of Tanzania.
- hh) 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.
- ii) 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.
- jj) 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 wise 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, sense as if each of the said paragraphs defined the objects of a separate and district company.

4. The Liability of the Members is Limited.
5. The capital of the Company is T.shs 250,000,000/= divided into 1,000 shares of T.shs 250,000.00 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
MS MORISIA MBENA P. O. BOX 70455 DAR ES SALAAM	100.	
MS MOREEN PROSPER P. O. BOX 19933 DAR ES SALAAM	100	
MR FRED MBENA P. O. BOX 70455 DAR ES SALAAM	100	
MR PROSPER MBENA P. O. BOX 70455 DAR ES SALAAM	220	

Dated at DOM this 3th day of JUNE 2005

Witness to the above signatures

Name: H.P. MUYIYI

Postal Address: P.O. BOX 3303 DDM

Signature: [Handwritten Signature]

Qualification: DAR ES SALAAM



TANZANIA
Stamp Duty Shs. ... 500/= PAID ON ORIGINAL
Receipt No. 233907 of 2007
Stamp Duty Officer

THE COMPANIES ORDINANCE
(Chapter 212)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

TANZANIA
Stamp Duty Shs. 250/= PAID
Receipt No. 233907 for 2/6/07
Asstt Registrar of Companies

OF

COMPRITEL INNOVATIONS ENTERPRISES COMPANY LIMITED

1.0 TABLE A

1.1 The regulations in Table A in the First Schedule to the Companies Ordinance shall not apply to the Company save if the same is repeated or contained in these Articles.

2.0 INTERPRETATION

2.1 In these Articles unless the context otherwise requires:

"Articles"	means these Articles of Association of Compritel innovations enterprises Company limited,
"Board"	means the Board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which quorum has been attained;
"Chairman"	means the Chairman of the Company;
"Company"	Compritel innovations enterprises;
"Directors"	means the Directors for the time being of the Company;
"Member"	means a registered shareholder in the Company;
"Memorandum"	means the Memorandum of Association of the Company;
"Month"	means Calendar Month;

- "Register"** means a book that will be kept by the Company in which the names and addresses, and the occupations, if any, of the members, a share capital a statement of the shares held by each member distinguishing each share by its number, and of the amount or agreed to be considered as paid on the shares of each member are entered;
- "Objects"** means the objects of the Company;
- "Office"** means the Registered Office of the Company;
- "Ordinance"** means the Companies Ordinance (Cap 212) or any statutory re-enactment or modification thereof for the time being in force, and reference to any section or provisions of the Ordinance shall include reference to any statutory re-enactment or modification of such section or provision for the time being in force;
- "Seal"** means the Common Seal of the Company;
- "Year"** means from 1st January to 31st December inclusive; and
- "Writing"** includes printing and lithography and any other mode or modes of representing or producing words in a visible form.

2.2 Subject as aforesaid, any words or expression defined in the Ordinance shall, except where the subject or context forbids, bear the same meaning in these Articles.

3.0 PRIVATE COMPANY

3.1 The Company is a Private Company, and accordingly:

3.1.1 no invitation shall be issued to the public to subscribe for any shares or debentures of the Company;

3.1.2 the number of the Members of the Company, not including persons who are in the employment of the Company is limited to fifty (50): Provided that, for the purpose of this provision, where two or more persons hold one or more shares in the Company jointly, they shall be treated as a single Member;

3.1.3 the right to transfer the shares of the Company is restricted in the manner hereinafter provided; and

3.1.4 no bearer Share Warrant shall be issued.

4.0 BUSINESS

- 4.1 Any branch or kind of business which the Company is either expressly or by implication authorized to undertake in terms of its objects, may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or proceeded.
- 4.2 The Office shall be at such place in United Republic of Tanzania, as the Board shall, from time to time, appoint.
- 4.3 No part of the funds of the Company shall directly or indirectly be employed in the purchase of or in loans upon the security of the company's shares, provided that nothing in this Article shall prohibit transactions mentioned in the proviso of section 46 (l) of the Ordinance.

5.0 SHARE CAPITAL

- 5.1 The share capital of the Company at the date of adoption of these Articles is Tanzanian Shillings Two hundred, fifty million (TShs 250, 000,000) divided into one Thousand (1,000) ordinary shares of Tanzanian Shillings two hundred and fifty thousand (TShs250,000.00) each.
- 5.2 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the original capital or not) may be issued with any such preferred, deferred or other special rights or subject in regard to dividend returns of capital, voting or otherwise as the Company may from time to time, by resolution, determine or in the case of any shares in respect of which there has been no such determination as the Board may direct.
- 5.3 Subject to the provisions of section 47 of the Ordinance, any preference shares may be issued on the terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may, by special resolution, determine.
- 5.4 The Company may, from time to time by special resolution, increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

6.0 MODIFICATION OF CLASS OF SHARES

- 6.1 All or any of the special rights and privileges for the time being attached to any class of shares issued may from time to time (whether or not the company is being wound up) be altered or abrogated with the consent, in writing, of the holders of no less than three – fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to the general meeting of the Company shall

mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy no less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and that if at any adjourned meeting of such holders a quorum as above defined be not present, those of such holders who are present shall be a quorum.

- 6.2 The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking, *pari passu* therewith.

7.0 SHARES

- 7.1 Subject to the provisions of these Articles, the unissued shares of the Company shall be at the disposal of the Board, which may allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount except in accordance with section 48 of the Ordinance.
- 7.2 The Company may exercise the powers of paying commissions conferred by section 44 of the Ordinance, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the said section, and that such commission shall not exceed 10 per cent of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 10 per cent of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
- 7.3 If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions set out in section 55 of the Ordinance, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of plant.
- 7.4 Except as ordered by a court of competent jurisdiction or as by law required, no person shall be recognized by the Company as holding any share upon any trust, and the company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

8.0 SHARE CERTIFICATES

- 8.1 Every person whose name is entered as a member in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class, or several certificates each for one or more of his shares of such class upon payment of such sum for every certificate after the first as the Board shall from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. If a Member shall sell or transfer part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.
- 8.2 If a share certificate be defaced, lost or destroyed it may be replaced on payment of such fee (if any) as may be determined by the Board and on such terms (if any) as to evidence and indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

9.0 LIEN

- 9.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a single Member for all the debts and liabilities of such Member or his estate to the Company, and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrive or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person whether a Member of the Company or not. The Company's lien on a share shall extend to all dividends payable thereon. But the Board may at any time declare any share to be wholly or in part exempt from the provisions of this article, and, unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
- 9.2 The Company may sell, in such manner as the Board may think fit, any share 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 the sum presently payable and giving notice of the intention to sell in default shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.
- 9.3 The net proceeds of sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable, and any

residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

10.0 CALLS ON SHARES

- 10.1** The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal amount of the shares or be payable at less than one month from the date fixed for payment of the last previous call, and each Member shall (subject to the Company giving to him at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.
- 10.2** A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
- 10.3** The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 10.4** If a sum called in respect of a share be not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding 10 per cent per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
- 10.5** Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 10.6** The Board 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.

10.7 The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any 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 rate, as may be agreed upon between the Board and the Member paying such sum in advance. The Directors may at any time on giving not less than three months' notice in writing to such Member repay to him the amount by which any such advance exceeds the amount actually called up on the shares.

11.0 TRANSFER OF SHARES

11.1 No shareholder shall sell, assign, pledge or otherwise transfer any shares without the prior written consent of the other shareholders except as provided in this Article.

11.2 No transfer shall be registered unless a proper instrument of transfer shall have been delivered to the Company. The instrument of transfer of a share shall be executed by both the transferor and the 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 in respect thereof. All instruments of transfer, when registered, shall be retained by the Company.

11.3 The Board may, in its absolute discretion and without assigning any reason therefore, decline to register any transfer of shares (other than fully paid shares) to a person of whom it shall not approve. The Board may also decline to register any transfer of shares on which the Company has a lien.

11.4 The Board may decline to recognize any instrument of transfer unless:

11.4.1 such fee to be determined by the Board is paid to the Company in respect thereof;

11.4.2 the instrument of transfer is lodged with the Company at the registered office of the Company accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

11.4.3 the instrument of transfer is in respect of only one class of shares.

11.5 If the Board refuses to register a transfer it shall, within two months after the date on which the transfer was lodged, send to the transferee notice of the refusal and the instrument of transfer which the Board has refused to register shall be returned to the transferee.

11.6 The Company shall be entitled to charge a fee to be determined by the Board on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument relating to or affecting the title to any share.

12.0 TRANSMISSION OF SHARES

- 12.1 In case of the death of a Member the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him with other persons.
- 12.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.
- 12.3 If the person so becoming entitled shall elect to be registered himself he shall deliver or send to the Company a notice in writing signed by him, stating that he so elects. If he shall elect to have his nominee registered he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restriction and provisions of these Articles relating to the right to transfer and registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
- 12.4 A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof.

13.0 FORFEITURE OF SHARES

- 13.1 If a Member fails to pay any call or installment of a call on the day appointed for payment thereof, the Board 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 and expenses which may have accrued.
- 13.2 The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which and the place where 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 and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case; references herein to forfeiture shall include surrender.

- 13.3 If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 13.4 When any share has been forfeited, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy of the holder (as the case may be); but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
- 13.5 A forfeited share shall be deemed to be the property of the Company and may be sold, reallocated or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board may think fit.
- 13.6 A Member whose shares have been forfeited shall cease 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 forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine, not exceeding ten percent per annum, from the date of forfeiture until payment but the Board may waive payment of such interest either wholly or in part.
- 13.7 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited on a date stated 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 the sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the same 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, sale or disposal of the share.

14.0 INCREASE OF CAPITAL

- 14.1 The Company may, from time to time by special resolution, increase its capital by such sum to be divided into shares of such amounts, as the resolution shall prescribe.
- 14.2 The Company may, by the special resolution increasing the capital, direct that the new shares or any of them shall be offered either at par or at a premium or (subject to the provisions of section 48 of the Ordinance) at a discount or may make any other provisions as to the issue of the new shares. In default of any such direction or so far as the same shall not extend, the provisions of **Article 7.1** shall apply to such shares.

14.3 The new shares shall be subject to all the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise and, unless otherwise provided in accordance with these Articles, shall be issued as Ordinary Shares.

15.0 ALTERATIONS OF CAPITAL

15.1 The Company may from time to time by ordinary resolution:

15.1.1 consolidate and divide all or any of its share capital into shares of larger amount than of its existing shares;

15.1.2 sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of section 51 (1) (d) of the Ordinance), and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights, or may have such qualified or deferred rights, or be subject to any such restrictions the power to attach unissued or new shares;

15.1.3 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 diminish the amount of its share capital by the amount of the shares so cancelled; and may also by special resolution:

15.1.4 reduce its share capital or any capital redemption reserve fund or any share premium account in any manner and with and subject to any circumstances authorized by the Ordinance.

16.0 GENERAL MEETINGS

16.1 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 not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place, as the Board shall appoint.

16.2 All General Meetings other than Ordinary General Meetings shall be called Extraordinary General Meetings.

16.3 The Board may, whether it thinks 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 Ordinance. If at any time there are not within United Republic of Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two Members of the Company may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which

meetings may be convened by the Board. In the case of an Extraordinary General Meeting called pursuant to a requisition, no business other than that stated in the requisition as the subject of such meeting shall be transacted unless such meeting shall have been called by the Board.

17.0 NOTICE OF GENERAL MEETINGS

17.1 An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The 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 the case of special business, the general nature of that business. The notice convening an Annual General Meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every General Meeting shall be given in manner hereinafter mentioned to such persons as are, in accordance with the provisions of these Articles, entitled to receive such notices from the Company, and also to the Auditors of the Company for the time being:

Provided that 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.

In every notice calling a meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

17.2 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

18.0 PROCEEDINGS AT GENERAL MEETINGS

18.1 All business shall be deemed special that is transacted at any Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the declaration and sanctioning of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, and the appointment of the Director and Auditors. A resolution, in writing, signed by all the Members entitled to receive notice for either an Extraordinary General Meeting or an Annual General Meeting shall be valid and effectual. Such resolution may be contained in one document or in several documents in like form each signed by one or more of such members.

Provided that a resolution passed by telephonic means either by all the Members or by a number thereof constituting a quorum, shall be valid and effectual as a resolution passed at a meeting of the Members.

- 18.2 No business shall be transacted at any General Meeting unless a quorum be present when the meeting proceeds to business. Save as otherwise provided by these Articles, two Members present in person or by proxy and entitled to vote shall be quorum for all purposes. A corporation being a Member shall be deemed for the purpose of this Article to be personally present if represented by proxy or in accordance with the provisions of section 116 of the Ordinance.
- 18.3 If within half an hour from the time appointed for a meeting a quorum be not present the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Board may determine, and the provisions of **Article 18.6** shall apply. If at such adjourned meeting a quorum as above defined be not present within half an hour from the time appointed for holding the meeting the Members present in person or by proxy shall be a quorum.
- 18.4 The Chairman (if any) of the Board shall preside as Chairman at every General Meeting of the Company.
- 18.5 If there be no such Chairman or if at any meeting the Chairman be not present within half an hour after the time appointed for holding the meeting, the Members present shall choose any of the Directors present at the meeting to act, or if one Director only be present he shall preside as Chairman if willing to act. If no Director be present, or if all the directors present decline to take the chair, the Members present shall choose one of their number to be Chairman.
- 18.6 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 except business which might lawfully have been transacted 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.
- 18.7 At any General meeting, a resolution put to the vote of the meeting shall be decided on one vote one share basis on a show of hands unless (before or on the declaration of the result of the show of hands) a poll be so demanded by the Chairman, or by at least three Members representing one-third the total voting rights of all Members having the right to vote at the meeting a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the book of proceedings of the

Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution.

- 18.8 If any votes shall be counted which ought not to have been counted or might have been rejected the error shall not vitiate the resolution unless it be pointed out at the same meeting and not in that case unless it shall, in the opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate the resolution.
- 18.9 If a poll be duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- 18.10 In case of an equality of votes at a General Meeting, whether on a show of hands or on a poll, the Chairman of such meeting shall be entitled to a second or casting vote.
- 18.11 A poll demanded on the election of a Chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place and in such manner as the Chairman directs.
- 18.12 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the next business is proceeded with.

19.0 VOTES OF MEMBERS

- 19.1 Subject to any special terms as to voting upon which any share capital may be issued or may for the time being be held on a show of hands every Member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under section 116 of the Ordinance shall have one vote on a poll every Member who is present in person or by proxy shall have one vote for every share.
- 19.2 In the case of joint holders of a share 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 purposes seniority shall be determined by the order in which the names stand in the Register.
- 19.3 In accordance with section 116 of the Ordinance a corporation being a Member may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any General Meeting of the Company or of any class of Members of the Company and the person so authorized shall be entitled to exercise the same powers on behalf of the corporation he represents as that corporation could exercise if it were an individual Member of the Company.
- 19.4 A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction for the protection of persons incapable of managing their own affairs may

vote, whether on a show of hands or on a poll, by his committee, **curator bonis** or other person in the nature of a committee or **curator bonis** appointed by such court, and such committee, **curator bonis** or other person may vote on a poll by proxy.

- 19.5 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.
- 19.6 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.
- 19.7 On a poll votes may be given either personally or by proxy.
- 19.8 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor be a corporation, either under its common seal or under the hand of an officer or attorney so authorized.
- 19.9 A proxy need not be a Member of the Company. Any Member may appoint more than one proxy to attend on the same occasion.
- 19.10 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority duly notarised, shall be deposited at the Office or such other place in United Republic of Tanzania as may be specified in the notice convening the meeting no less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, no less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
- 19.11 The Board may, if it thinks fit, send out with the notice of any meeting, forms of instrument of proxy for use at the meeting and such instruments of proxy shall be in the form following or in such other form as the Board may decide:

FORM OF PROXY

I/We, being (a) Member(s) of the above-named Company,
Hereby appoint _____,
Of _____,
Or failing him _____,
Of _____.

As my/our proxy to vote for me/us and on my/our behalf at the annual [or
extraordinary, as the case may be] General Meeting of the Company to be held
on the _____ day of _____, 2005 and at any adjournment
thereof.

Dated this _____ day of _____, 2005

Signature: _____

Address: _____

In favour of

I desire to vote * _____ the Resolution(s) [where more than one proxy is
Against
Appointed add, in respect of _____ Shares].

* NOTE: - Unless otherwise directed, the proxy holder will vote as he thinks fit
And in respect of the _____ Member's total holding.

- 19.12** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given, provided that no information in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.

19.13 The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

20.0 DIRECTORS

20.1 Each shareholder is entitled to appoint number of directors proportionate to the percentage of shareholding (to the nearest whole number) of the paid up share capital of the Company.

20.2 The Board of Directors of the Company shall consist of not less than two and not more than eight Directors. The first Directors of the Company are:

20.2.1 MS Morisia Mbena

20.2.2 MS Moreen Prosper

20.2.3 Mr Fred Mbena

20.2.4 Mr Prosper Mbena

20.3 Unless otherwise determined by the Company in General Meeting, the chairman of the Board shall be appointed by the Board and his remuneration shall be fixed by the Board. The Chairman of the Board shall also be the Chairman of the General Meeting of the Company.

20.4 Each Director shall have the power to appoint an alternate Director to act in his place during his absence and may at his discretion remove such alternate director. A person so appointed shall be subject in all respects to the terms and conditions existing in respect of Directors and each alternate Director, while so acting shall exercise and discharge all functions, powers and duties as a Director of his appointor in such appointor's absence. An acting Director shall *ipso facto* cease to be an alternate Director if his appointor ceases, for any reason, to be a Director.

20.5 All appointments and removals of an alternate Director shall be effected by instrument in writing delivered at the Office and signed by the appointor.

20.6 A Director of the Company may be or become a director or other officer of, or otherwise interested in any company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits in other Company. The Board may also exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respect as it thinks fit, including the exercise thereof in favour of any resolution appointing the members of the Board or any of them to be directors or officer of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company, and any Director of the Company may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such, or in any other manner is or may be interested in the exercise of such voting rights in manner aforesaid.

- 20.6.1** Subject to the provisions of **Article 20.8.5**, a Director may hold any other office or place of profit under the Company (except that of Auditors) in conjunction with his office of Director upon such terms as the Board may determine, and receive such remuneration therefor as the Board may think fit. Subject to the next paragraph of this Article, no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place or profit or as vendor, purchaser or in any other manner whatever, nor shall any Director, in respect of any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director has any interest be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.
- 20.6.2** A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if his interest then exists, or in any other case at the first meeting of the Board after he becomes so interested. A general notice to the Board given by a Director to the effect that he is member of a specified company or firm and is to be regarded as interested in all transactions with such company or firm shall be a sufficient declaration of interest under this Article, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm provided that either the notice is given at a meeting of the Board or the Director giving the same takes reasonable steps to ensure that it is brought up and read at the next Board meeting after it is given.
- 20.6.3** A Director shall not vote (nor be counted in the quorum) in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted but the prohibition shall not apply to any arrangement for giving to any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company, nor to any arrangement for the giving by the Company of any security to third party in respect of a debt or obligation of the Company which the Director has himself guaranteed or secured, nor to any debentures of the Company, nor to any contract or arrangement with a corporation in which he is interested only by reason of being a Director, officer, creditor or member of such corporation or of any shareholder of such corporation, and it may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, by the Company in General Meeting.

20.6.4 A Director, notwithstanding his interest, may be counted in the quorum present for the purpose of considering the appointment of himself or of any other Director to hold any such office or place of profit under the Company as aforesaid or of arranging the terms of any such appointment, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement other than his own appointment or the arrangement of the terms thereof.

20.6.5 Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

20.7 A Director shall not require any share qualification.

20.8 Without prejudice to the last preceding Article or otherwise hereinafter contained; the office of a Director shall be vacated in any of the events following, namely if:

20.8.1 he resigns his office by writing under his hand left at the Office; or

20.8.2 he be found lunatic or become of unsound mind or a receiving order is made against him or he compounds with his creditors; or

20.8.3 without leave, he be absent, otherwise than on the business of the Company, from meetings of the Board for six consecutive months, and the Board resolves that his office be vacated; or

20.8.4 he be prohibited from being a Director by reason of any order made under sections 213 or 269 of the Ordinance; or

20.8.5 without the consent of the remaining Directors he holds any office or place of profit under the Company other than that of Managing Director, Manager or Trustee of any deed for securing debentures of the Company; or

20.8.6 he be removed by either an extraordinary resolution, or an ordinary resolution of the Company, twenty-eight days' notice of intention to move such resolution having been given; or

20.8.7 He be requested, in writing, by all the other Directors to resign.

21.0 NUMBER OF DIRECTORS

21.1 The Company in General Meeting may from time to time increase or reduce the number of Directors but so that the minimum number of Directors shall be no less than two.

21.2 The Company may by special resolution, or by ordinary resolution of which fourteen (14) days' notice has been given in accordance with **Article 20.8.6** remove any Director before the expiration of his period of office (but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may by special resolution or by an ordinary resolution appoint another person in his stead.

22.0 POWERS AND DUTIES OF DIRECTORS

22.1 The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Ordinance 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 Ordinance and to such regulations being not inconsistent with such provisions as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.

22.2 The Board may, from time to time and at any time, by power of attorney under the Company's Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the company for such purposes and with such powers, authorities and discretion's (not exceeding those conferred upon the Board by this Article) and for such period and subject to such conditions as it may think fit.

22.3 The Company may exercise the powers conferred by section 33 of the Ordinance with regard to having an Official Seal for use abroad and such powers shall be vested in the Board.

22.4 The Company may exercise the powers conferred by section 104 to 107 of the Ordinance with regard to the keeping of a branch Register in any part of the world and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit in respect of the keeping of any such Register.

23.0 MANAGING DIRECTOR

23.1 The Board may from time to time appoint one or more of its body to the office of Managing Director or Assistant Managing Director for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment.

23.2 A Managing Director or Assistant Managing Director shall receive such remuneration as the Board may determine.

23.3 The Board may entrust to and confer upon a Managing Director or Assistant Managing Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of its own powers, and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such power.

24.0 BORROWING POWERS

24.1 The Board may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party: Provided that the aggregate amount for the time being remaining outstanding of moneys so borrowed or secured and of moneys borrowed or secured by any subsidiary of the company (exclusive of moneys outstanding in respect of borrowings by the Company from any such subsidiary or by any subsidiary from another such subsidiary or from the Company) shall not at any time without the previous sanction of an ordinary resolution of the Company exceed the aggregate of the nominal amount of the issued and paid up share capital and the amount of any share premium account for the time being of the company, but no debt incurred or security given in respect of moneys borrowed or secured in excess of the limit hereby imposed shall be invalid or ineffectual except in the case of express notice at the time the debt was incurred or the security given that the limit hereby imposed had been or was thereby exceeded.

24.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

25.0 MINUTES

25.1 The Board shall cause minutes to be made in books provided for the purpose of:

25.1.1 all appointments of officers made by the Board;

25.1.2 the names of the Directors present at each Board or Committee meeting;

25.1.3 all resolutions and proceedings at all meetings of the Company and of the Board and of the Committees.

26.0 SECRETARY

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

26.2 A provision of the Ordinance or of these Articles 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.

27.0 PENSIONS AND ALLOWANCES

27.1 The Board may grant retiring pensions or annuities or other allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Managing Director, Assistant Managing Director, or in any other executive officer or employee of any subsidiary company of the Company or of its holding company (if any), notwithstanding that he may be or may have been a Director of the Company and may make payments towards insurances or trusts for such purposes in respect of any such person and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

28.0 THE SEAL

28.1 The Board shall provide for the safe custody of the Seal, which shall not be affixed to any instrument except in the presence of at least two Directors or at least one Director and the Secretary and such Directors or Director and Secretary shall sign every instrument to which the Seal is so affixed in their presence. All forms of certificate for shares, stock or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Seal and bear the autographic signatures of one or more Directors and the Secretary: Provided that the Directors may resolve that some method of mechanical signature which is controlled by the Auditors, Transfer Auditors or Bankers of the company be adopted, in which case any such certificate may bear the mechanical instead of the autographic signature of a Director.

29.0 AUTHENTICATION OF DOCUMENTS

29.1 Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (except the Memorandum and Articles of Association which must be authenticated by the Registrar of Companies) and any resolutions passed by the Board, and any book, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts there from as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

30.0 PROCEEDINGS OF BOARD

- 30.1** The Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In case of an 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 Board meeting.
- 30.2** The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed at any other number shall be two.
- 30.3** If at any meeting the Chairman be not present within half an hour after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.
- 30.4** A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretion's for the time being exercisable by the Board.
- 30.4.1** Provided that the requisite notices are served upon Directors and subject to the consent of a majority of such Directors, Directors can conduct their meetings on telephone or through video and all meetings so conducted shall be deemed to have the same status as meetings at which the Directors have physically convened.
- 30.4.3** The Secretary shall give each Director a written notice of at least fourteen (14) days prior to the date of the meeting. The notice shall provide the Agenda, the time and place of the meeting; Provided that with the consent of all the Directors entitled to receive notice of some particular meeting, that meeting may be conveyed by such shorter notice and in such manner as those Directors may think fit.
- 30.5** The Board may delegate any of its powers (other than the power conferred by this Article) to a committee or committees, whether consisting of a member or members of its body or not, as it thinks fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 30.6** The meeting and proceedings of any committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
- 30.7** A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Board or by all the members of a committee or by teleconferencing by phone or video conferencing either by all the Directors or by a number thereof constituting a quorum, shall

be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Except for teleconferencing such resolution may be contained in one document or in several documents in like form each signed by one or more of such Directors or members of the committee concerned: Provided that a resolution passed by telephonic means either by all the Directors or by a number thereof constituting a quorum, shall be valid and effectual as a resolution passed at a meeting of the Directors.

- 30.8 Every act done by any Board or committee or by any person acting as a Director or member of such committee, notwithstanding it be afterwards discovered that there was some defect in the appointment of such Board or committee or of any person acting as aforesaid or that they or any of them were disqualified or had vacated office, shall be as valid as if every such Board or committee or person had been duly appointed and was qualified and had continued in office down to the time of performance of such act.

31.0 DIVIDENDS

- 31.1 The Company in General Meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.

- 31.2 All dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share be issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

- 31.3 The Board may from time to time pay to the Members such interim dividends as appears to the Board to be justified by the position of the company; the Board may also pay the fixed dividend payable on any preference shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course.

- 31.4 The Board may deduct from any dividend or bonus payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

- 31.5 No dividend shall bear interest against the Company.

- 31.6 Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque addressed to the holder at his registered address or, in the case of joint holders, addressed at his registered address to the holder whose name stands first on the Register in respect of the shares or by telegraphic transfer. Every such cheque or telegraphic transfer shall, unless the holder otherwise directs be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on

the Register in respect of such shares, and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.

- 31.7 Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regards to such distribution the Board may settle it as it thinks expedient, and in particular may fix the value for distribution of any such specific assets and may determine that cash payment shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution.

32.0 RESERVES

- 32.1 The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any 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 or its holding company, if any) as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.

- 32.2 The Board shall transfer to share premium account sums equal to the amount or value of any premiums at which shares of the Company may be issued, and the provisions of these articles relating to reserves shall be applicable to the sums at the time being standing to the credit of share premium account.

33.0 CAPITALIZATION OF PROFITS

- 33.1 The Company in General Meeting may upon the recommendation of the Board, at any time and from time to time, pass a resolution to the effect that it is desirable to capitalize any part of the amounts for the time being standing to the credit of any of the Company's reserves or to the credit or the profit and loss account of otherwise available for distribution and not required for the payment of the fixed dividends on any preference share of the Company and accordingly that such sum be set free for distribution among the Members or any class of Members who would be entitled to such profits if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed and credited as fully paid up among such Members or partly in one way and partly in the other, and the Board shall give effect to such resolution. Provided that a share premium account and a capital

redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the company as fully paid bonus shares.

- 33.2 Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and particular may issue fractional certificates or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract requisite or convenient for giving effect thereto and such appointment shall be effective and binding upon the Members.

34.0 ACCOUNTS

- 34.1 The Board shall cause true accounts to be kept of:

34.1.1 the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place; and

34.1.2 all sales and purchases of goods by the Company; and

34.1.3 the assets and liabilities of the Company.

- 34.2 The books of account shall be kept at the Office or at such other place or places as the Board may think fit and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board.

- 34.3 The Board shall from time to time, in accordance with section 123 of the Ordinance, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, and reports as are referred to in that section.

- 34.4 A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall, not less than twenty-one days before the date of the meeting, be sent to every Member and to every holder of debentures of the Company and copies of each of these documents shall at the same time be forwarded to all persons entitled to receive notices of General Meetings of the Company: Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

35.0 AUDIT

- 35.1 Auditors shall be appointed and their duties regulated in accordance with sections 132, 133 and 134 of the Ordinance.

36.0 NOTICES




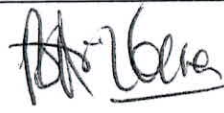
- 36.1** Any notice or other document may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter or by telex or telecopier addressed to such Member at his registered address as appearing in the Company's Register. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be sufficient notice to all the joint holders.
- 36.2** Any Member who is not registered the Company's Register by an address within the United Republic of Tanzania shall, from time to time, give to the Company an address within the United Republic of Tanzania at which notices may be served upon him and shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within the United Republic of Tanzania shall be entitled to receive any notice from the Company:
- 36.3** Any notice or other document, if served by post, telex or telecopier shall be deemed to have been served at the time when the same was put into the post office, or transmitted by telex or telecopier and in proving such service shall be sufficient to prove that the notice or document was properly addressed, stamped and put into the post office or if by telex or telecopier was actually transmitted.
- 36.4** Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder unless his name shall at the time of the service of the notice or document, have been removed from the Company's Register or Branch Register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- 36.5** Save as hereinbefore provided, notice of every General Meeting shall be given to every Member of the Company.

37.0 WINDING-UP

- 37.1** With the sanction of an extraordinary resolution of Members, any part of the assets of the Company, including any shares in or securities of other companies, may be divided among the Members of the Company in specie or may be vested in trustees for the benefit of such Members, and in liquidation of the Company may be closed and the Company dissolved, but, so that no Member shall be compelled to accept any shares whereon there is any liability.

38.0 INDEMNITY

38.1 Subject to the requirements of section 153 of the Ordinance every Director, Managing Director, Manager, Officer and Auditor of the Company shall be indemnified out of the funds of the Company against all losses or liabilities incurred by him as such Director, Managing Director, Manager, Officer or Auditor in or about the execution of his duties and no Director or other Officer shall be liable for any loss which may be incurred by the Company in execution or in which he is acquitted or in connection with any application under section 345 of the Ordinance in which relief is granted to him by the court.

Name, Address and description of Subscribers	Number of Shares taken by each Subscriber	Signature of Subscriber
MS MORISIA MBENA P. O. BOX 70455 DAR ES SALAAM	100.	
MS MOREEN PROSPER P. O. BOX 19933 DAR ES SALAAM	100.	
MR. FRED MBENA P. O. BOX 70455 DAR ES SALAAM	100.	
MR. PROSPER MBENA P. O. BOX 70455 DAR ES SALAAM	220	


Dated this 3rd day of JUNE, 2005

Witness to the above signatures:

Name:

H.P. BETHUEL

Signature:



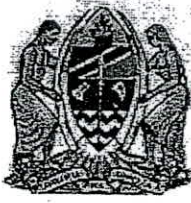
Address:

P.O. BOX 820
DAR ES SALAAM

Qualification:

ADVOCATE

TANZANIA



Certificate of Incorporation

No 52700

I HEREBY CERTIFY THAT

COMPRITEL INNOVATIONS ENTERPRISES

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 6TH day of JUNE

TWO THOUSAND AND FIVE

Sen. 
Asst. Registrar of Companies

CTIN: 0375021



TANZANIA REVENUE AUTHORITY

**CERTIFICATE OF REGISTRATION
FOR
TAXPAYER IDENTIFICATION NUMBER (TIN)**

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT

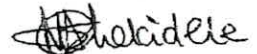
COMPRITEL INNOVATIONS ENTERPRISES CO LTD.
.....

has been registered with the Tanzania Revenue
Authority and assigned the Taxpayer
Identification Number

103-970-865
.....

with effect from

03-Oct-2005
.....


Ms. Christine Shekidele

Ms. Christine Shekidele

OFFICIAL SEAL

COMMISSIONER FOR INCOME TAX

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF