

TANCO INDUSTRIAL COMPANY LTD

P. O. Box 42450 – Dar es Salaam

Tel/ Mob: +255-763 585 055

EXTRACT FROM THE BOARD RESOLUTION

In this meeting we therefore resolve that:

The project to be known as Tanco Industrial Company Ltd has to be established.

- Under the same company, the lapidary project is to be implemented and operated
- The project investment capital be USD 1,000,000.00, raised by shareholders.
- The project applies for a TIC offered Certificate of Incentives to help in establishment.

Signed


Board Chairperson


Board Secretary

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

TANCO INDUSTRIAL COMPANY LIMITED

Incorporated at..... this..... day of.....2009

Drawn by:

Li Gang
(Subscriber)
P.O. Box 19468
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

No.

I HEREBY CERTIFY THAT

TANCO INDUSTRIAL COMPANY LIMITED

In this day incorporated under the Companies Act 2002

And that the Company is Limited

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

Registrar of Companies

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
TANCO INDUSTRIAL COMPANY LIMITED

Seal
9/2/19
A. M. M. M.
M. M. M. M.

TANZANIA
Stamp Duty Shs. 250/-
9/2/19
Receipt No. 104/19/19
Assst. Registrar of C. I. M.

1. The name of the company is "TANCO INDUSTRIAL COMPANY LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of mineral refinery and processing, to be importers and exporters of all minerals and gemstones including diamonds and all other business connected or incidental thereto.
 - (b) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
 - (c) To carry on the business of buying and selling of all types of minerals and gemstones including diamonds found in the United Republic of Tanzania and to engage in exportation of rough, cut and polished minerals and gemstones including diamonds to different parts of the world and to open up lapidaries and to acquire mine workings and mining grounds in Tanzania.
 - (d) To carry out exploration and conduct research for all types of minerals and gemstones including diamonds in Tanzania; to search for ores and minerals and to work the mines and mining rights under or upon the land and properties to be acquired by the company, and to crush, wash, smelt, reduce or otherwise treat and render marketable and sell and dispose of the produce of any mines, whether belonging to the company or not.
 - (e) To carry on the business of selling of all types of mining equipments as well as any other things connected or incidental to the mining business.
 - (f) To establish, run, manage and operate diamonds and gemstones cutting works in any part of the United Republic of Tanzania.
 - (g) To carry on the business of gemstone dealers, buyers, sellers, importers, exporters, cutters and setters of gemstones, precious and semi-precious stones, diamonds, emeralds, sapphires, rubies, agate, Tanzanite Rhodalite, Garnets, Berly ony, topaz amethyst, opal, pearls, corals,

alexandrite and dealers and buyers, sellers, smiths and handlers of gold, platinum, silver, copper, nickel, mercury, aluminium, brass and all metals and their allays as well as any other things connected with or incidental to the jewelry business.

- (h) To carry on the business as jewelers, gold and silver smiths, dealers in curiosities, articles of virtue, coins, medals, bullion and stones and as manufacturers of and dealers in gold and silver plate, plated articles, watches, clocks chronometers, and optical and scientific instruments of any description.
- (i) To engage and or carry on the business of general civil works, engineering, constructions, buildings, renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of gadgets whatsoever, to be timber processors, sawmillers and suppliers of all kinds of timber, to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers of same.
- (j) To carry on the business of building contractors, mansory and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, sharves, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses, building and erections of every kind.
- (k) To build, construct, maintain, enlarge, pull down and remove or replace any building, offices, work, wharves, road, walls, fences, banks, dams sluices or water wharves and clear sites for the same.
- (l) To erect and construct houses, buildings, or works of every description on any land of the company or upon other lands, or property and to pull down, rebuild, enlarge, alter and improve existing houses, buildings to convert any such land into roads, street squares, gardens and grounds for various activities.
- (m) To engage in and carry on the business of manufacturers of and dealers in cement, lime, plasters, clay, whiting, gravel, stone, chipping, minerals, earth, fuel. Artificial stone bricks, tiles, roofing pipes, pottery, earthen wire, as well crushed stones and quarry extraction.
- (n) To carry on the business of various equipments, tools and or gadgets necessary for secure operation of various business activities in respect of construction industry.
- (o) To purchase, take on lease or exchange, or acquire by license, concession, grant, or otherwise, any lands, mines, minerals and mining 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.

- (p) To purchase, lease exchange, hire, sell, mortgage or otherwise deal in any movable or immovable property in Tanzania or elsewhere for any estate or interest whatsoever and any rights, privileges or easements over or in respect of any property, and buildings, plants, machinery, equipments or whatsoever, to undertake or direct the management of the property buildings, land, mines quarries and estates (of any tenure or kind) of the Company or to join with others in doing so and to transact on commission or otherwise the general business of a land agent.
- (q) To acquire from any sovereign, state, or authorities any concessions, grants, decrees, rights, powers and privileges whatsoever, which may seem to the Company capable of being turned to account, and to work, develop, carry out, exercise and turn to account the same.
- (r) To develop the resources 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, mining, cultivating, building, improving, farming, irrigation, grazing and by promoting immigration and emigration and the establishment of towns, villages and settlements.
- (s) To carry on the business of installing all communication towers. To carry on the business of erecting and assembling communication towers.
- (t) To carry on the business of installing and uninstalling all types of network and data communication equipments. To carry on the business of surveying, acquiring, building, designing network and communication sites.
- (u) To carry on the business and act as managers of investments and investment company, real estate agents, property managers, developers, valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
- (v) To carry on the business of general traders, merchants, manufacturers representatives and to buy, sell, hire, manufacture, barter, trade and deal in property, mechanical machine shop, spare parts and machinery of every description, goods and articles and merchandise of all kinds and to transact any and every description of agency, insurance agents, commission, distribution, marketing, commercial, industrial, manufacturing, merchantile, insurance and financial business.

- (w) To carry on the business of dealing in importing, exporting, marketing, manufacturing stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as insurance agents, commission agents, brokers and manufacturers, representatives in all fields. To be agent of foreign company and to establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (x) To provide consultancy services on business, economic, legal, tax and all financial matters.
- (y) To conduct auditing, tax assessment, preparation of financial accounting and other related works.
- (z) To provide educational services on business, economic, computer skills, accountancy, financial managements studies and all other courses.
- (aa) To carry on the business of agents, consultants or representatives of foreign or local manufacturers, industries or other like organizations in any type of goods, products, commodities and services.
- (bb) To carry on the business of financial and managerial consultants and to act as managers, advisors and consultants in the field of accountancy, auditing business management and in any other business which may be useful carried in conjunction therewith.
- (cc) To carry on the business and act as managers of investments and investment company, real estate agents, property managers, developers, valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
- (dd) To engage in investment scheme for construction, rehabilitation, erection, ownership and management of commercial buildings, export processing zones and special economic zones, to buy, sell, hire, manufacture, trade, and deal in property, goods, produce, articles, and merchandise of all kinds and transact any and every description as development agency, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business and carry on the business of traders, general merchants, general storekeepers, metals, commission agents, business consultants, market research consultants, business transfer agents, company promoters, underwriters, financiers and bill brokers, del-credere agents, barter traders, court brokers, auctioneers and generally to execute and undertake agencies of all kind or carry on the business of warehouse construction, landscaping, engineering, general civil works and deal in all kinds of scrap metal and precious metals.

- (ee) To carry on the business as general distributors of all sorts and types of products and services to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government offices, universities and all other places where the services of a supplier are needed.
- (ff) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- (gg) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (hh) To carry on the business as exporters, traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in business of scrapers, agricultural machinery, implements, equipment and all kinds of industrial projects machinery.
- (ii) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (jj) To carry on the business of establishing and running shops, shopping malls, provision stores, supermarkets, department stores, groceries food and shops of all kinds and description and generally to deal with such activities.
- (kk) To engage in and carry out the business of proprietors and managers of food outlet, 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.

- (ll) To purchase or acquire freehold, leasehold or other immovable property and movable property generally and also rights, privileges and easements over or in respect of any property movable or immovable, and to pay for the same in cash or in any other manner agreed upon, and to take over and assume liabilities for payments of all moneys owing whatsoever under and by virtue of any mortgages, charges or other existing and charged upon any and all such property as may be purchased at any time by the Company from any Government, person, firm or company and to do all things and execute such documents and deeds as may be necessary to that end.
- (mm) To advance money to any person or persons or corporations, either with or without interest upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money to shareholders in the company, and others, upon the security of or for the purpose of enabling the person borrowing the same to effect or purchase, or enlarge or repair any house of building or to purchase the free simple or any term or terms of years of any property in Tanzania, or elsewhere upon such terms, and conditions as the Company may think fit.
- (nn) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (oo) To carry on the business of spare parts for different types of machines and instruments including motor vehicles, cars, trucks, lorries or other vehicles, agricultural implements, mining implements and any other machinery, tool maker, metal workers, boil makers and any other kind of machine whatsoever.
- (pp) 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.
- (qq) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and

interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.

- (rr) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (ss) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (tt) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (uu) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (vv) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (ww) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (xx) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (yy) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (zz) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (aaa) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.



- (bbb) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ccc) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (ddd) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (eee) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (fff) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (ggg) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (hhh) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.

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

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 300,000,000/= divided into 10,000 shares of Shillings 300,000/= each.


The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
LI GANG P. O. BOX 19468 DAR ES SALAAM	70	
SHEN TACHENG P. O. BOX 19468 DAR ES SALAAM	30	

Dated at... DSM ... this 9th day of FEBRUARY ... 2009...

Witness to the above signatures:

Name :
 Signature : 
 Postal Address :
 Qualification :



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

OF

TANCO INDUSTRIAL COMPANY LIMITED

PRELIMINARY

1. In these regulations:-
"The Act" means the Companies Act 2002 of the Laws of Tanzania.

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

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

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

The regulations of Companies Act shall not apply to the company, save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulation the former shall prevail, and in addition to substitution shall be the regulations of the company.

PRIVATE COMPANY

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

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

6. DIRECTORS

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

BORROWING POWERS

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

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

VOTE OF MEMBERS

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

DISQUALIFICATION OF DIRECTORS

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

SEAL

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

ALTERNATE DIRECTORS

16. Any director shall have power to nominate any person to act or attend as alternate Director during his absence or during his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to the other Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
17. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

SECRETARY

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

WINDING UP

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

ALTERNATION OR ADDITION


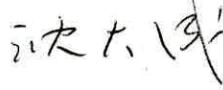
20. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special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

INDEMNITY

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


ARBITRATION

22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relation existing between the parties by reasons of these Articles or the Act, such differences shall (unless a sole arbitrator be agreed upon) forthwith be referred to the arbitration of three (3) arbitrators, one to be appointed by each party and the third to be appointed by the first two or, in the event of failure to agree within (Cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
LI GANG P. O. BOX 19468 DAR ES SALAAM	70	
SHEN TACHENG P. O. BOX 19468 DAR ES SALAAM	30	

Dated at... DSM this... 9th ... day of... FEBRUARY 2009

Witness to the above signatures:

Name :
 Signature : 
 Postal Address :
 Qualification :





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We LI GANG
.....
(director/directors/agent of TANCO INDUSTRIAL LTD
.....
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
.....
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 12 SINGIDA ST.
KURASINI TEMEKE 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 PLOT 12, KURASINI TEMEKE DSM
.....
4. The Principal Officers of the Company are LI GANG
SHEN TACHENG
.....
.....
5. Auditors of the Company are WILL BE APPOINTED
.....
.....
6. The authorized share capital of the Company is Tshs./US\$ 300'000'000.00
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,000,000

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

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

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

I, LI GANG of Post Office Number 42450

..... do solemnly and sincerely declare that I am a director/duly authorized agent of TANGO INDUSTRIAL 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 25th day of FEBRUARY } 2009 }

..... LI GANG
Applicant

Before me:

.....
Commissioner for Oaths


APPLICATION SUMMARY

Company Name: TANCO INDUSTRIAL Co. LTD

Certificate of Incorporation Number: 69654 Status: NEW

Certificate of Incorporation Date: 9/2/2009

Post Box: 12450

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: LAPIDARY (MINERAL PROCESSING)

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	1	-	-

Project Objectives: TO ESTABLISH AND OPERATE A LAPIDARY FACTORY IN TANZANIA

Capacity: 36,000 POUNDS PER DAY

Employment: Foreign: 4 Local: 17 Total: 20

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: 6

Street: SINGIDA District: TEMBEKE Region: DSM

(Attach sketch map showing project location)

Shareholders	Nationality	%
LI GANG	CHINESE	70
SHEN TACHENG	CHINESE	30

Investment Breakdown US\$/Tshs.M

Land/Building	0.180
Plant	0.606
Vehicles	0.200
Furniture & Fittings	0.005
Pre-expenses	0.009
Others	0.000
Working Capital	0.005
TOTAL	1.000

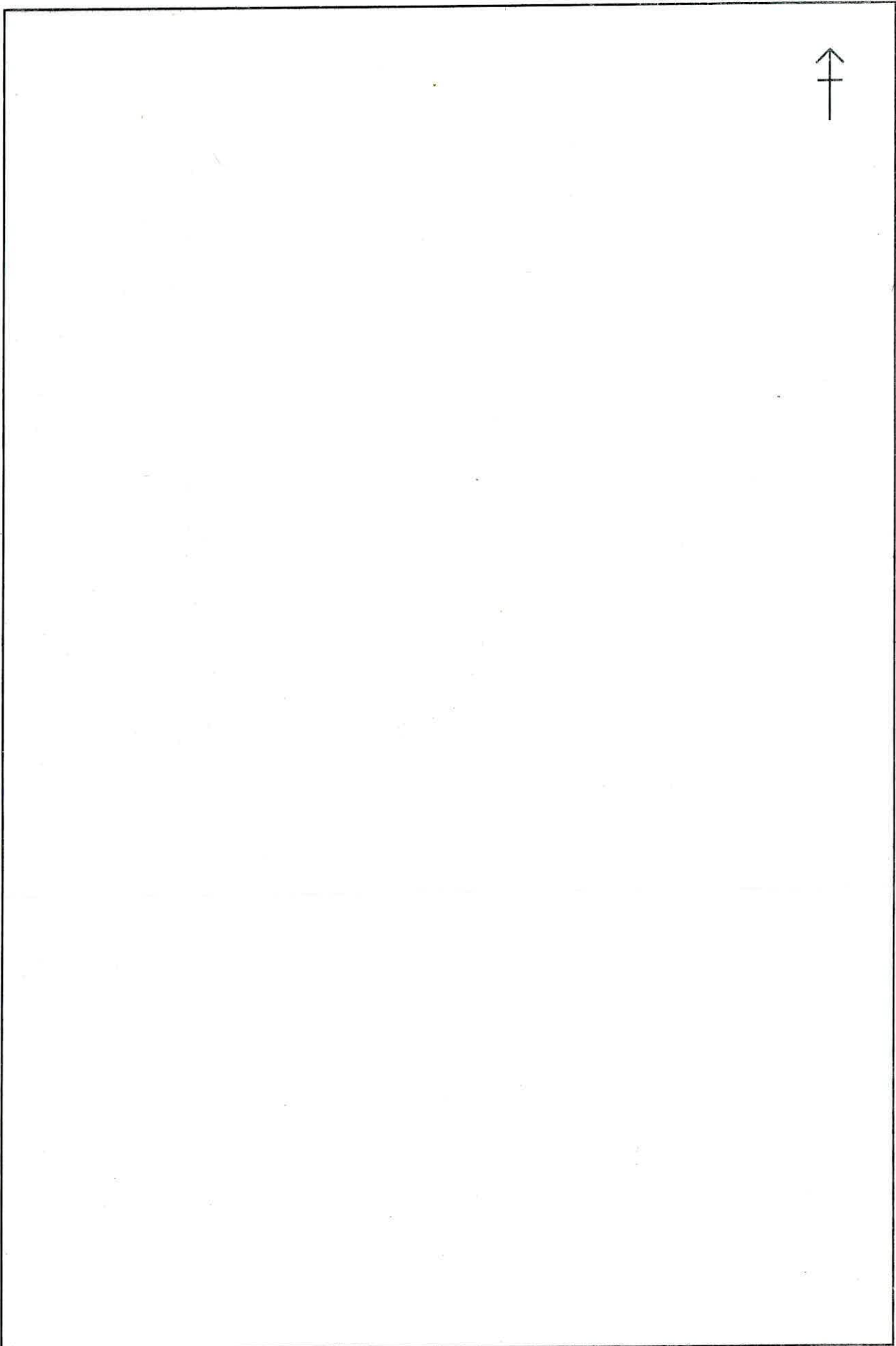
Contact Details:

Name: LI GANG Title: DIRECTOR
Telephone: +255 763 888 999 Fax: +255 715 198 198
Email:

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
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 LI GANG
(director/directors/agent of IANCO INDUSTRIAL LTD
(name of business enterprise) apply for registration of LENTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 12 SINGIDA ST.
KURASINI TEMEKE 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 PLOT 12, KURASINI TEMEKE DSM

4. The Principal Officers of the Company are LI GANG
SHEN TACHENG

5. Auditors of the Company are WILL BE APPOINTED

6. The authorized share capital of the Company is Tshs./US\$ 300'000'000.00

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

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

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


I, L I GANG of Post Office Number 42450
 do solemnly and sincerely declare that I am a director/duly
 authorized agent of TANGO INDUSTRIAL 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 } L. GANG
 The 25th day of FEBRUARY 2009 } **Applicant**

Before me:

.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: TANCO INDUSTRIAL CO. LTD

Certificate of Incorporation Number: 69654 Status: NEW

Certificate of Incorporation Date: 9/2/2009

Post Box: 12450

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: LAPIDARY (MINERAL PROCESSING)

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	1	—	—

Project Objectives: TO ESTABLISH AND OPERATE A LAPIDARY FACTORY
IN TANZANIA

Capacity: 36,000 POUNDS * DAY

Employment: Foreign: 4 Local: 17 Total: 20

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: 6

Street: SINGIDA District: TEMBEKE Region: DSM
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>LI GANG</u>	<u>CHINESE</u>	<u>70</u>
<u>SHEN TACHENG</u>	<u>CHINESE</u>	<u>30</u>
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building	0.180
Plant	0.606
Vehicles	0.200
Furniture & Fittings	0.005
Pre-expenses	0.004
Others	0.000
Working Capital	0.005
TOTAL	1.000

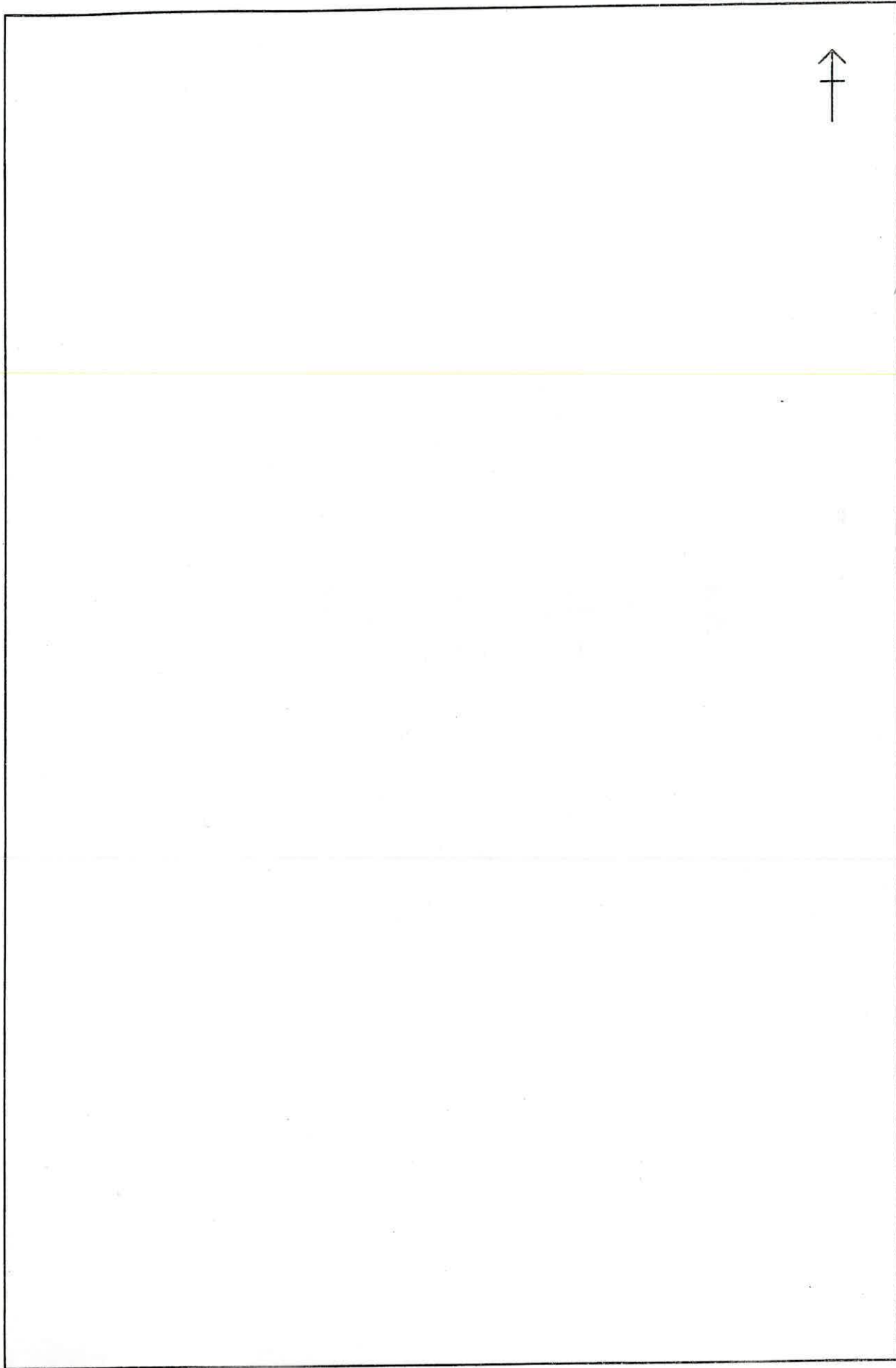
Contact Details:

Name: LI GANG Title: DIRECTOR
Telephone: +255 763 888 999 Fax:
+255 715 198 198
Email:

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:
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9A & B Shaaban Robert Street
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(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

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To: The Executive Director
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1. I/we LI GANG
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8. The month and day of the financial year end is DECEMBER

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

I, LI GANG of Post Office Number 42450

..... do solemnly and sincerely declare that I am a director/duly authorized agent of TANGO INDUSTRIAL 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 25th day of FEBRUARY 2009 }

..... LI GANG
Applicant

Before me:

.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: TANCO INDUSTRIAL CO. LTD

Certificate of Incorporation Number: 69654 Status: NEW

Certificate of Incorporation Date: 9/2/2009

Post Box: 12450

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: LAPIDARY (MINERAL PROCESSING)

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>—</u>	<u>1</u>	<u>—</u>	<u>—</u>

Project Objectives: TO ESTABLISH AND OPERATE A LAPIDARY FACTORY
IN TANZANIA

Capacity: 36,200 POUNDS/DAY

Employment: Foreign: 4 Local: 17 Total: 20

Implementation Period: 3 YRS

Project Location

Site/Plot/Block No.: 6

Street: SINGIDA District: TEMEKE Region: DSM
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>LI GANG</u>	<u>CHINESE</u>	<u>70</u>
<u>SHEN TACHENG</u>	<u>CHINESE</u>	<u>30</u>
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building	0.180
Plant	0.606
Vehicles	0.200
Furniture & Fittings	0.005
Pre-expenses	0.004
Others	0.000
Working Capital	0.005
TOTAL	1.000

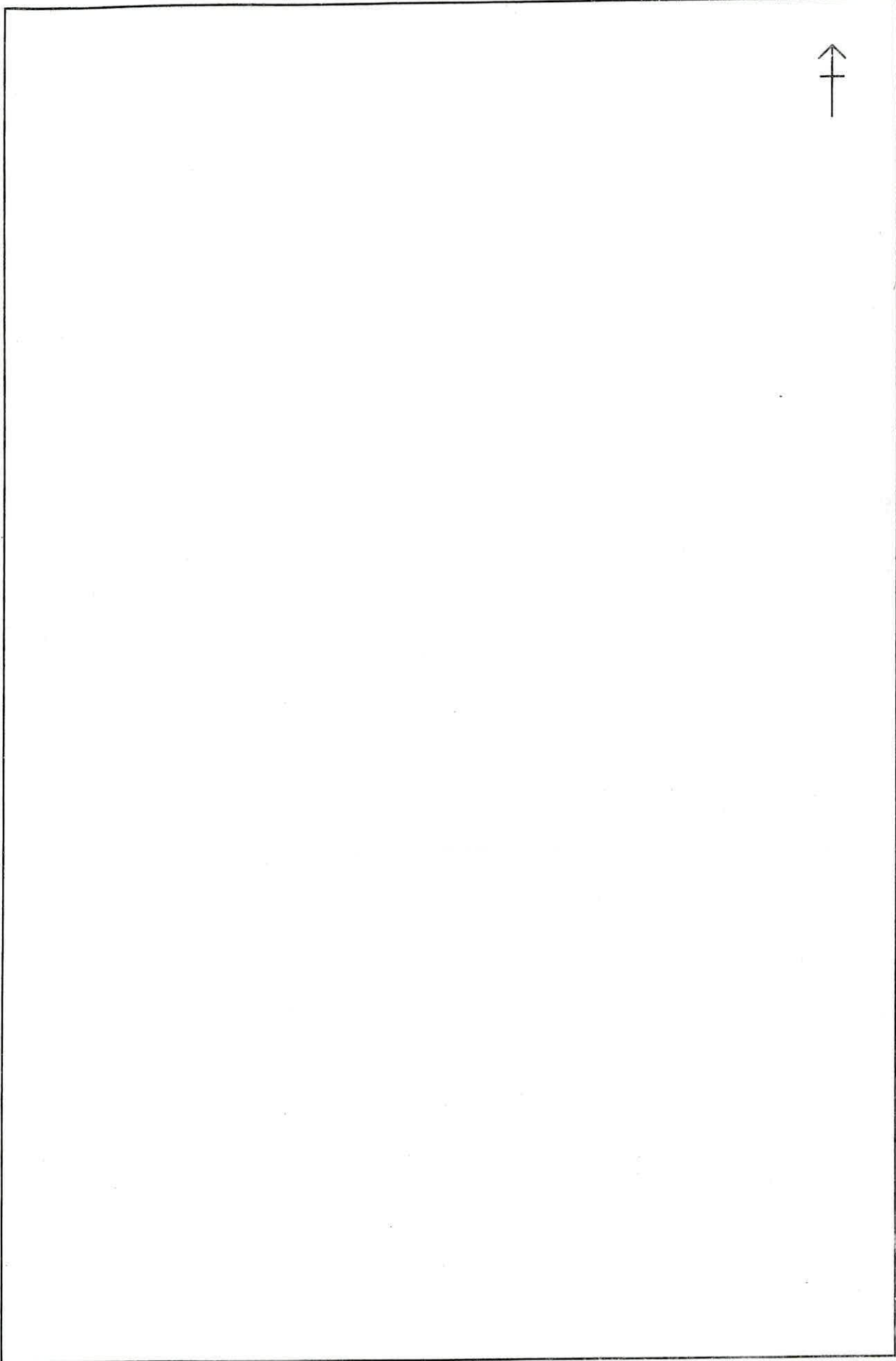
Contact Details:

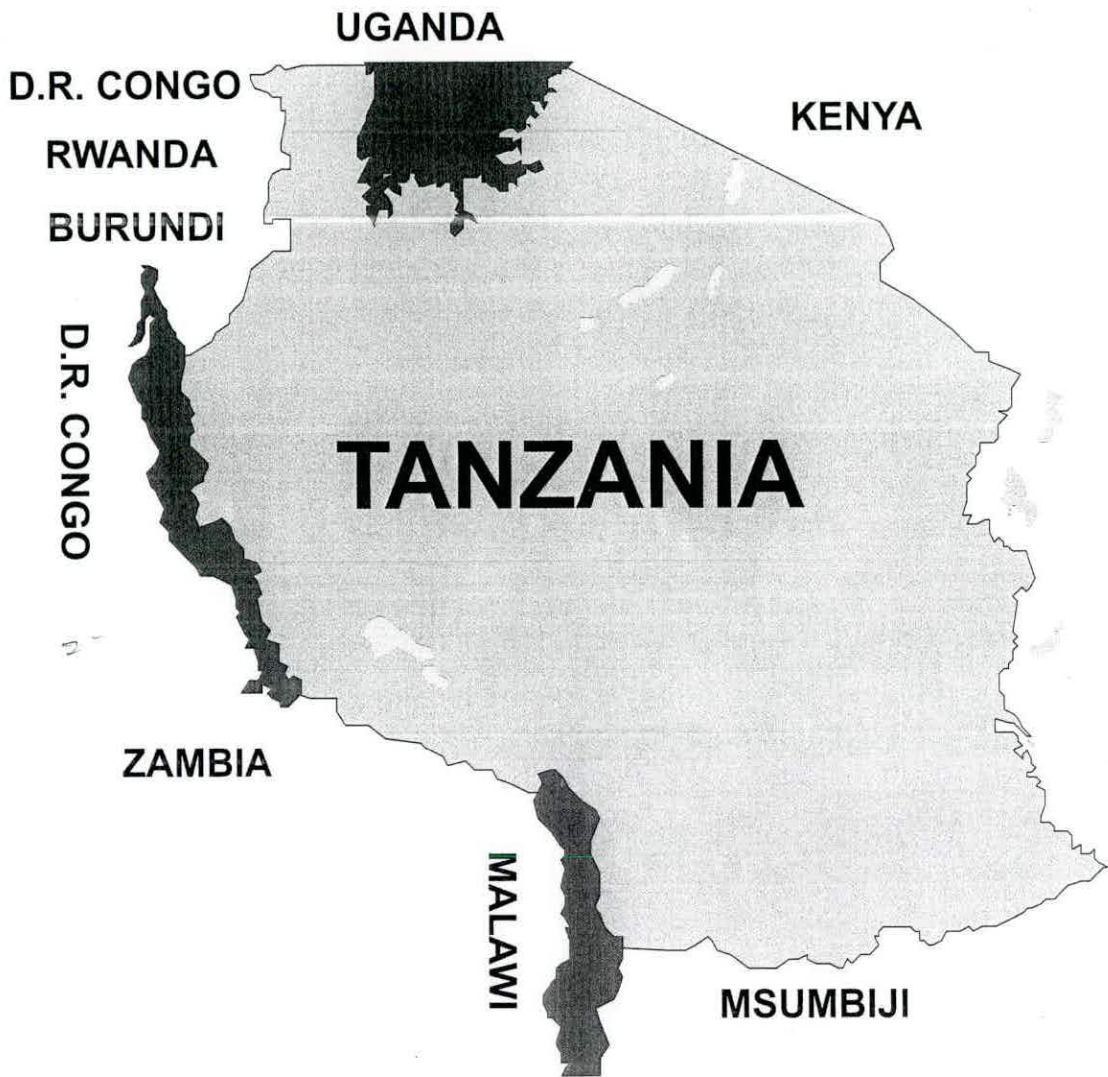
Name: LI GANG Title: DIRECTOR
Telephone: +255 763 888 999 Fax:
+255 715 198 198
Email:

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







TIC Evaluation Report

Name of the Company
Tanco Industrial Co Ltd

Post Box	Singida	COI Number	69654	Contact	Li Gang
Post Office	42450	COI Date	09/02/2009	Designation	Director
Region	Dar Es Salaam	Application F. No	07728	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0763 888999/ 0715 198198
		Sub Sector	Minerals	Fax	0
		File No	041660	E-Mail Address	0

Investment Finance Plan in Millions USD

Project Location		Foreign Equity	Local Equity	Foreign Loan	Local Loan
Plot/Block	Plot no 6	0	1	0	0
Street	Singida				
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail

Name	Nationality	(%)
Seen Tacheng	China	30
Li Gang	China	70

Investment Breakdown (USD Million)

Land/Building	0.18
Plant	0.606
Vehicles	0.2
Furniture & Fittings	0.005
Pre-expenses	0.004
Others	0
Working Capital	0.005
Total	1

Employment	21	Evaluated By	Revocatus Arbogast
Capacity	36,000	Drawn By	Sarah Registry
Project Turn Over			

Description

To establish and operate a lapidary factory

Recommendations

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

Decision

Approved
Revocatus Arbogast
AR
09-02-09

TANCO INDUSTRIAL COMPANY LTD

P. O. Box 42450 – Dar es Salaam

Tel/ Mob: +255-763 585 055

01/03/09

①

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



Sir/Madam

Re: Application for a Certificate of Incentives

Please refer to the above subject.

Tanco Industrial Company Ltd is a company established to invest in mineral processing and lapidary, and now wants to establish a lapidary factory at plot 12, Singida street, Kurasini Dare s Salaam. The project needs to purchase building materials, machinery, vehicles and factory equipments to establish the project. We are applying to your office for the Certificate of Incentives to help us implement the project successfully.

Attachments

- Copies of application form
- Copies of business plan
- A memorandum
- A copy of a certificate of incorporation
- Land ownership evidence
- Bank Letter
- Board Resolution

Please consider this application in favors of our project

Regards

LI GANG
LI GANG
DIRECTOR

TANZANIA



Certificate of Incorporation

Section 15

No **69654**

I HEREBY CERTIFY THAT

TANCO INDUSTRIAL COMPANY LIMITED ===

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

Given under my hand at Dar es salaam

this **9TH** day of **FEBRUARY****TWO THOUSAND AND NINE**A handwritten signature in cursive script, appearing to read 'J. M. M.', written over a dotted line.
Asst. Registrar of Companies



招商銀行
CHINA MERCHANTS BANK

①

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

Date: 22 February 2009

Dear Sir/Madam,

Re: Letter of Reference

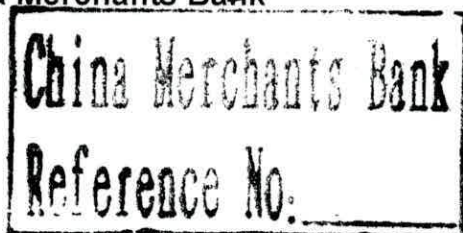
Mr. **LI GANG** is among our esteemed customers and maintains an account in our bank for years; his financial status is viable to implement a planed project.

Please assist him as he may need.

Yours Sincerely,

Customer Manager
China Merchants Bank

王國強



TICC/PP.10/041660/6

06/05/2009

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

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 041660**

M/S Tanco Industrial Company Limited is a TIC registered company with certificate of incentives **No. 041660** which is valid up to **February 2012**

The company has been registered with objectives of establishing and operating a lapidary factory.

Attached herewith please find a list of capital/ deemed capital goods for Duty and VAT exemption approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

TANCO INDUSTRIAL CO. LTD

P.O.BOX 14986 Singida St. Kurasini
Temeke District, Dar es Salaam Tanzania
Tel & Fax No. 255 22 2850466
E-mail: richmount@gmail.com

Ref: No. TICL.201/TIC/01/09

Date: 30 April 2009

COMMISSIONER FOR CUSTOMS AND EXCISE DUTY,
TANZANIA REVENUE AUTHORITY
P. O. BOX 9053
DAR ES SALAAM



UFS

EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE
P.O.BOX938
DAR ES SALAAM

Dir Sir/Madam,

Re: APPLICATION FOR DUTY AND VAT EXEMPTION ON CAPITAL/
DEEMED CAPITAL GOODS

Please refer to the caption subject.

TANCO INDUSTRIAL CO., LTD is a TIC registered company with Certificate of Incentive number 041660 which is valid up to February 2012.

The company is in the process of facilitating the Project.

Attached herewith is the first batch of the list of equipment and materials.

We will appreciate if you will consider this as the matter of urgency.

Yours sincerely,

Tony Han 
The Managing Director
TANCO Industrial Co. Ltd

Attached herewith please find:

1. Capital/Deemed Capital goods for Duty and VAT exemption approval;
2. Certificate of incentives(Certified Copy);
3. Copy of TIN number

CTIN.: 0440237



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

TANCO INDUSTRIAL COMPANY LIMITED

.....

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

107-716-025

.....

with effect from 19-Feb-2009

.....

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

Handwritten:
21/04/2009



No 00215510

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041660

This is to certify that

TANCO INDUSTRIAL COMPANY LIMITED

of address P.O. BOX 42450

DAR ES SALAAM

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

TANCO INDUSTRIAL COMPANY LIMITED

Which is located at PLOT NO. 6 SINGIDA STREET, TEMEKE

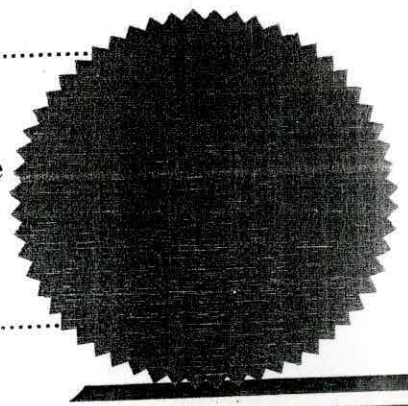
DAR ES SALAAM

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

Signature
Executive Director

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

Dated 16th APRIL 2009



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 (%)
Seen Tacheng	Chinese	30

2. Proposed Activities: To establish and operate a lapidary factory

3. Sector: Manufacturing Subsector Minerals

4. Investment cost: Foreign - Local USD 1.0m. Total USD 1.0m.

5. Project Financing: Equity USD 1.0m. Loans - Total USD 1.0m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>-</u>	<u>USD 1.0m.</u>	<u>USD 1.0 m.</u>

8. Technology Agreement None

9. Date of TIC Registration: 12th March 2009

10. Implementation period March 2009 - February 2012

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)

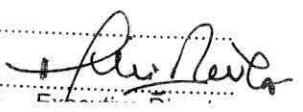
(iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

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 

Bill of Quantity of Material and Equipments

(一) Equipment kind	1	ore crusher	3 sets
	2	grinder	3 sets
	3	generator (50-100kw)	3 sets
	4	ellectronic pully	6 sets
	5	hydro hammers	3 sets
	6	agitator	30 sets
	7	acid-proof pump	12 sets
	8	optical emission spectrometer	3 sets
	9	copper ore spectrometer	3 sets
	10	chemical refrigerator	6 sets
	11	chemical cabinet	6 sets
	12	workbench	18 sets
	13	weight scale	6 sets
	14	trolley	20 sets
	15	acid-proof vavle	60 sets
	16	electric welders	6 sets
	17	cutting machine	6 sets
	18	electrical driller	10 sets
	1	acid-proof cemen X	40 tones
	2	acid-proof resin X	20 tones

(二) Material kind	3	fiber glass film	1000square	
	4	pvc film	1000square	
	5	power cable	1500 meter	
	6	electromagnetic switch	60 sets	
	7	power socket	60 sets	
	8	acid-proof pipe	1500 meter	
	9	welding electrode	30 cartons	
	10	cutter of cutting machine	150 pcs	
	11	screw	50 cartons	
	12	coloured steel sheet	1200square	
	13	steel sheet of solar proof	80 square	
	14	stainless angle bar	3 tones	
	15	steel pipe	12 tones	
	(三) Production consumes alotof the material	1	sulphate acid X	500 tons
		2	diesel X	120 tons
3		Packing bag X	20 tons	
(四) Produce vehicles	1	truck (⁵ 10 tons)	2 6 unites	
	2	pick up	3 unites	

	3	4 x 4 jeep (purpose of mine research)	1 unite
(五) Material for production process & examination	1	ethanoi	50 kgs
	2	nitric acid	50 kgs
	3	hydrochloric acid	50 kgs
	4	sulfuric acid	50 kgs
	5	ammonia	50 kgs
	6	cuprizom	50 kgs
	7	tri-ammoniumciumcitrate	50 kgs
	8	ammoniumchloydr	50 kgs
	9	video monitor	50 kgs



No 00215510

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041660

This is to certify that

TANCO INDUSTRIAL COMPANY LIMITED

of address P.O. BOX 42450

DAR ES SALAAM

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

TANCO INDUSTRIAL COMPANY LIMITED

Which is located at PLOT NO. 6 SINGIDA STREET, TEMEKE

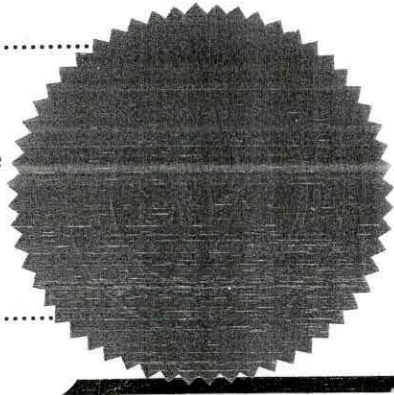
DAR ES SALAAM

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

Executive Director

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

Dated 16th APRIL 2009



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 (%)
Seen Tacheng	Chinese	30
Li Gang	Chinese	70
2. Proposed Activities : To establish and operate a lapidary factory
3. Sector: Manufacturing Subsector Minerals
4. Investment cost: Foreign - Local USD 1.0m. Total USD 1.0m.
5. Project Financing:
Equity...USD 1.0m. Loans - Total...USD 1.0m.
6. Source, terms and conditions of loan
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 1.0m.	USD 1.0 m.
8. Technology Agreement None
9. Date of TIC Registration: 12th March 2009
10. Implementation period March 2009 - February 2012
11. Operative date March 2012
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(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.
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(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this certificate

Signed 
Executive Director

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

TFN. 614 (Rev. 8.94)

30325484

1

NIMEPOKEA KWA
Received from

TANCO IND. CO. LTD



KIASI
Amount

Shs.				Cts.
1000	00	750	00	00

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

US DOLLAR SEVEN HUNDRED FIFTY ONE

NA SENTI
And Cents

KWA MALIPO YA
In Respect of

CERTIFICATE OF INCENTIVES

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

CASH

SAHIHI YA MPOKEAJI-Receiving Officer's
Signature.

[Signature]

CHEO- *[Signature]*

DATE- *[Signature]*

KITUO- Station

[Signature]

Govt. Press, Dsm.

(14)

LEASE AGREEMENT

This Lease Agreement is made the 25th day of July, 2007..... between MWANGA JUMA MUTABILLIWA of P.O.BOX 755, Dar es Salaam, Tanzania (hereinafter referred to as "the LANDLORD" which expression shall where the context so admits include his assignees and successors in title) of one part;

AND

TANCO INDUSTRIAL CO., LTD of P.O. BOX 14898, Dar Es Salaam, Tanzania (hereinafter referred to as "the TENANT" which expression shall where the context so admit include his assignees and successors in title) of the other part;

WHEREAS the **LANDLORD** owns a house at plot No.12 Singida Street, Kurasini Area, Temeke District, in the city of Dar Es Salaam and the **TENANT** is desirous of renting and said house.

NOW, THIS AGREEMENT WITNESSETH as follows:

1. In this agreement

"**USD**" means United States Dollors.

"**New house**" means that structure standing on plot no.12 singida street, kurasini area, in proximity to but separate from the demised house.

"**period of rehabilitation**" means the period of two months(sixty days) calculated from the date of signing this agreement up to and including the 31st of august 2007, during which the tenant shall carry out rehabilitation work on the demised premises.

"**period of settlement**" means the period to start from 1st of September 2007 and to subsist in accordance with the covenants and conditions of this agreement, during which the tenant will be settled and in occupation of the demised premises.

2. In consideration of payment of **Twelve (12) years'** rent at the agreed rate of USD 1000 per month, amounting to a total of **USD120,000 (ONE HUNDRED TWENTY THOUSAND USD Only)**, the terms of payment being as follows:

- 1st payment shall be made immediately after signing this agreement. The said payment covers twelve calendar months of the period of settlement calculated from 1st September 2007 up to and including 31st august 2008; that is to say USD 1,000 x 12=USD12,000(Twelve thousand USD).
- 2nd payment shall be made on 15th December 2007 for the 2nd year and shall cover twelve calendar months calculated from 31st august 2008 up to and including 31st august 2009; that is to say USD 1,000 x 12=USD12,00(Twelve thousand USD)
- Thereafter payment shall be made annually for the remaining six years. The rent shall not change during the subsistence of this agreement; that is to say 10 years.
- For avoidance of doubt it is hereby agreed that rent shall be due after the commencement of the period of settlement and no rent shall accrue during the period of rehabilitation.

The **LANDLORD** **DOETH HEREBY DEMIDE** unto the **TENANT** the house situate on plot No.12 Singida Street, Kurasini Area, Temeke District in the City of Dar es Salaam(hereinafter referred to as "the demised premises").



certify that this
is a true copy of the original
JBP

3. The Tenant **HEREBY COVENANTS** with the Landlord as follows:-

- (a) To pay the said rent without any deductions whatsoever by the date and in the manner aforesaid;
- (b) To pay charges for water, telephone and electricity power used or consumed in the demised premises;
- (c) To use the demised premises for residential/business purposes only;
- (d) To permit the Landlord and his agents at all reasonable times with or without workmen to enter upon the demised premises to view the condition thereof in accordance with the terms of this Agreement.
- (e) Not to make any alterations in or additions to the demised premises including fixtures and furniture without the prior written consent of the Landlord;
- (f) Not to assign, sub-let or part with the possession of the demised premises or any part thereof without the prior written consent of the Landlord;
- (g) To peacefully yield up to the Landlord at the end or sooner on determination of the term hereby granted, the demised premises in accordance with the covenants and conditions of this Agreement.

4. And the Landlord **HEREBY COVENANTS WITH THE** Tenant as follows:-

- (a) The Tenant paying the rent herein before reserved and performing and observing the several covenants and stipulations herein contained shall peacefully hold and enjoy the demised premises during the term hereby created without unlawful intervention by the Landlord or any person rightfully claiming under him/her.
- (b) To pay and discharge all rates, taxes assessments, imposition, duties charges and outgoings whatsoever save except telephone and electricity charges and water rates which are now or any time hereafter become imposed or charged upon the demised premises or payable by the Tenant in respect thereof;
- (c) To enter upon the demised premises at all reasonable times to view the condition thereof and if the same is found to be defective or out of repair to request the tenant to make good the same.

5. The Landlord and Tenant **HEREBY AGREE AND DECLARE THAT,**

- a) If the Tenant shall be desirous of taking a new Lease of the demised premises after the expiration of the term hereby granted and if the Tenant shall in communication of such desire deliver to the Landlord or to his known address in Tanzania notice in writing not less than two months before expiration of the term hereby granted, if there shall be no subsisting breach of any of the Tenant obligations under this present Lease at cost of Landlord may, in

his absolute discretion grant to the Tenant a new Lease of the demised premises for such further term as shall be agreed between the Tenant and the Landlord to commence from the expiration of the term hereby granted at the rent and subject to the covenants and conditions as shall be agreed between them.

- b) The new house will be demolished and rebuilt within six months after rehabilitation.
- c) If the Landlord is not in receipt of notice of desire to extend as provided for in 4 (a) above this Lease shall determine on the expiry of the term hereby created and the Tenant shall immediately vacate the premises without further notice.
- d) Should the Tenant desire to vacate the demised premises during the period of this Lease the Tenant shall give a two (2) months' notice in writing or be liable for any damages as shall have been thereby suffered by the Landlord. And in such event any rent paid in advance in accordance with the covenants and conditions of this Agreement shall not be recoverable by the Tenant.
- e) In the event of the premises developing damage or disrepair due to the negligence of the Tenant, the Tenant shall be obliged to undertake repair of the damaged part or parts PROVIDED that the Landlord shall be responsible for the repair of structural defects.

6. **ANY DISPUTES**, differences and questions which may arise at anytime between the parties or their respective representatives touching on or arising from or in respect of this agreement which may not be amicably settled by the parties shall be finally determined by the court of law in accordance with the prevailing law.

IN WITNESS WHEREOF the parties hereto have duly executed these presents in the manner and on the day, month and year first above written.

SIGNED and DELIVERED by the said)
JULIETH MULUNGI MUTABILWA who is)
known to me personally/identified to)
me by LAURIAN TIBASANA)
the latter being known to me personally)
in my presence this 06th)
day of July 2007)


.....
LANDLORD

NAME AUGUSTINE DOMINIC SHIO

SIGNATURE *[Signature]*

QUALIFICATION PRINCIPAL STATE ATTORNEY

Postal Address P.O. Box 9050 DAR-ES-SALAAM

SIGNED and DELIVERED by the said
..... who is
known to me personally/identified to
me by GODFREY MUTABII/LWA
the latter being known to me personally
in my presence this 06TH
day of JULY 2007

[Signature] LI GANG
on behalf of
TANCO INDUSTRIAL COMPANY LIMITED

NAME AUGUSTINE DOMINIC SHIO

SIGNATURE *[Signature]*

QUALIFICATION PRINCIPAL STATE ATTORNEY

Postal Address P.O. Box 9050, DAR-ES-SALAAM

~~06/07/09 06/07/09~~

I hereby attest that
this is a true copy of
the original

[Signature]



6/04/09

TICC/PP.10/041660/2

12 March 2009

Managing Director,
Tanco Industrial Company Limited,
P.O. Box 42450,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A LAPIDARY FACTORY**

We wish to acknowledge receipt of your project proposal to establish and operate a lapidary factory as presented in the TIC P.A. 1 Form No. 07728 and Feasibility Study with a projected investment of USD 1.0 m.

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

- Bank Reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment Act, 1997.
- Certified document showing lease agreement for the location of the project.

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

.../2

TICC/PP.10/041660/2

12 March 2009

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

Yours sincerely,
Tanzania Investment Centre



B. D. Chonjo
Ag. Executive Director

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

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

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

MINUTE

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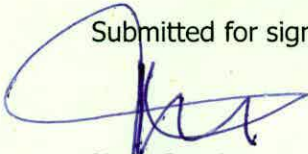
EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 1.0 m
- (b) Legal entity has been incorporated under certificate
No. 69654 of 09/02/2009

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

Submitted for signature.



N. A. Senzia

DIF

12th March 2009

2.0

EXD

In response to the TIC letter of registration dated... 12th March 2009

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from... China Merchants Bank of China
- (c) Lease Agreement as Evidence of Land

With the above submission EXD is requested to sign Certificate of Incentives No. 041660 herein attached.

18/04/09



DIF

TANCO INDUSTRIAL COMPANY LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT OF A LAPIDARY FACTORY

DRAWN BY:

TicL

P.O Box 42450

DAR ES SALAAM

255 763 585 055

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The project will carry on the company name, be established at the company location and remain in the same ownership of the company's.

The project establishing activities will involve the renovation to finishing of offices, construct workshop, laboratory, show room, stores and packing yards. The complex will have a modern water infrastructure system, drainage system, garden, fenced and electrified.

The Purpose of this report is to give out the profile on the full plan of the project establishment; and help in resources and other facilities mobilization for the easy implementation of this plan.

Investment

The all plan of investment requires a financial capital of about USD 1,000,000.00 as funds to finance various activities of the project establishment. Basically main activities will include construction of one factory structure, renovation of the offices building, procurement of machinery, vehicles, tools and equipments necessary for handling minerals; and the working capital.

Investment Structure

The Breakdown of Costs by Investment Items-Values in USD				
S n	Item	Budget	Breakdown	Categories
1	Land/Building	180,000.00	160,000.00	Office and factory structures
			20,000.00	Fencing and security
	Machinery and Accessories	606,000.00	115,000.00	2 Mineral crushing and separating machines
			40,000.00	Chemicals mixing machine
			130,000.00	3 mineral cutting machines
			96,000.00	Surfacing and polishing machine
			20,000.00	Large photo scanners
			30,000.00	2 cut plotters
			65,000.00	2 Seifs
			45,000.00	Security cameras and biometric access system
			65,000.00	Fire alarm system with sprinklers and touch screen panels
3	Vehicles	200,000.00	120,000.00	2 - security trucks for factory works
			60,000.00	2 - 4WD Hardtops 4x4 for office works
			20,000.00	1 - Staff Vehicle
4	Furniture & Fittings	5,000.00		chairs, tables, cupboards, shelves, etc
5	Pre-Exp.	4,000.00		Procedures, Feeses, etc
6	Others	00.00		
7	Working Capital	5,000.00		
	Total	1,000,000.00		

FINANCIAL PROJECTIONS

Internal Rate of Return

The project's rate of return on investment (IRR) is 17.47%

Net Present Value

The project's Net Present Value (NPV) of total capital invested is 12.00%

Total Assets

The starting balance of the Total Assets of the project will be USD 1,000,000.00, are expected to grow continuously to USD 3,496,481.72 by the last year.

Revenues

The project will earn revenues from selling processed minerals to various gemstones operating companies. The project capacity will be to produce 36,000.00 ounces a ~~day~~^{year}, each of which will be sold at an average price of USD 11.67.

In the first year the production will be at 2,999.14 ounces which, will make revenue of about USD 35,000.00. In the second year and other subsequent years the project will operate at almost full capacity producing 35,989.72 ounces and earning a constant revenue of about USD 420,000.00.

i. e.	1 st year	2,999.14 x 11.67	=	34,999.96
	2 nd year	35,989.72 x 11.67	=	420,000.03

Corporate Tax

With that level of production the project will start by paying a corporate tax of USD 98,962.37 in the first year, this will increase to USD 107,699.82 in the second year and that will remain constant to the last year.

Net Profits

The project Gross Profits are assumed to be USD 329,874.57 in the first year and USD 358,999.39 in the second year, to remain constant through. After the corporate taxes are paid, the net profits will be USD 230,912.20 in the first year, and USD 251,299.57 in the second year.

Depreciation

Economic depreciation rates based on 0 used for lifetime of the various capital items have been adopted and the following facts apply for the depreciation rates in this project:

Buildings and civil structures	12%	straight line
equipments	20%	five years
Motor vehicles	20%	straight line
Furniture and Fittings	20%	five years

Pre-operation expenses are amortized and written off after six years

Financial Recommendations

After all the financial reviews of the proposed project, it is obvious that:

- o The project is profitable
- o The operations are financially viable
- o The key ratios are acceptable
- o The liquidity position is sound since the project can meet its financial commitments without any undue difficulties

Project Economics

i. Values

The values of the project are:

- To provide an easy access market to small miners
- Technology transfer where by new and modern ways of cutting and polishing gemstones will be introduced
- To support small miners with advisory role to improve their mining efficiency and competence
- To add value on local produced minerals and thus increase the foreign exchange earnings for development and economic growth
- Income generation through paying taxes and salaries
- The modern lapidary will mark Tanzania as the highest standard in lapidary and gemmological services and the related activities.
- Ability to contribute to Tanzania's employment opportunities creation especially at the factory and in the rural areas where rough stones are mined
- The factory will enhance trainings, research and apprenticeship in the country to reduce the severe inadequacy of technical and scientific personnel in the form of geologists, lapidaries and jewels specialists.

ii. Project Rationality

The rationale for this project establishment is fivefold.

- First the subsection 3 (a) of the objectives under which the company was established (Articles of Association) provide for this project establishment.
- Second the October 1997 Mineral Policy of Tanzania supports the project in parts of: introduction (e), (f), challenges, objectives (vi) and (vii), rationalizing artisanal and small scale mining ; and establishing formal marketing system.

- Third the mineral base (potential) of Tanzania is more promotive to our project establishment and its sustainability
- Forth the presence of many small mines and few lapidary centres is the strength to our project input supply
- In June 2003, Tanzanian banned the export of unprocessed Tanzanite to develop local processing facilities

The Mineral Laws and Regulations guiding this project are obtained in the salient features of the Tanzania Mining Act 1998 recorded as follows:

- right to trade in mineral;
- simplification and consolidation of past statutes on mining and mineral trading;
- improved security of tenure through removal of most past ministerial discretionary powers and introducing a mining advisory committee responsible of advising the Minister on decisions to make;
 - i. Enhanced clarity and transparency;
 - ii. Fair, streamlined and non-discriminatory licensing procedure,
 - iii. Environmental management.

Human Resource

Management

Generally the daily management and operations of the project will be vested to a team of administrative personnel and technical staff supervised by the General Manager of the entire project. However the autonomous authority for operations of the project has been planned to be directly under the Board of Directors, and the General Manager (who is the secretary to the board of directors); these two will also be overseers of the project.

Staff Competence

The project will employ specialized staff, hired as qualified staff as per job requirements and description, meanwhile all officials will be properly trained by experts hired to brush them on workmanship, work skill, quality production and customer care, the knowledge to be transmitted to all other staffs.

The total number of staff will be 21 with roles as listed below

Title	Number
General Manager	1
Purchasing	3
Lapidary	6
Finance	2
Marketing	2
Drivers	2
Cleaners	1
Security (internal)	4
Total	21

Working Environment

The project intends to have a world standard factory facilitated for best working conditions. The employees will be given jobs descriptions and space to practice their workmanship. The factory will procure enough working tools as much as will be required. There will be payments to cover overtimes and extra job undertaking. Other facilities like tea and meals at work will be provided. There is also a plan for a training program and upgrade staff to develop their.

The project is planned to provide its staff with social services like accommodation, transport, water supply, electricity supply, health services access and workers insurance contributions as required by the country regulations.

Workers Welfare

According to the economic performance of the company, the management will improve the standard of living for the all group of people have been employed by the projects by demonstrating and observing their priority needs. Since the project has a long life span, we already have a planning system, which is designed to guarantee a stable and continuous development of the project's community.

Environmental Management

Application of cleaner and safer operation and environmental management will be the policy of the project. Employer and Employees will take serious measures to abide to the policy of environmental care, and the project in general will wisely take a careful look at their work environment and workers' work habits.

Sources of Raw Materials (Minerals/Gemstone Availability)

It is well known that Tanzania has numerous minerals and gemstones' deposits and only a few have been attempted for exploitation. In the feasibility study made to mark the availability of raw materials (gemstones) for the establishment of this project, a lot has been discovered as main milestones for the project progress. Below we provide some few targeted gemstones and areas they are found in Tanzania.

- i. **Diamonds** Mwanza and Shinyanga
- ii. **Gold** around Lake Victoria
- iii. **Tanzanite** Arusha
- iv. **Ruby** Morogoro, Tanga, Coast and Iringa
- v. **Amphibolites** Arusha and Manyara
- vi. **Sepentines** Tanga
- vii. **Sapphire** Morogoro and Tanga
- viii. **Emerald** Manyara, Arusha and Rukwa
- ix. **Garnets** Dodoma, Iringa and Lindi

Marketing

i. Project Promotion and Marketing

Both the project and its products will be marketed. Project marketing will involve creation of awareness on the presence of the project and its qualities to its potential suppliers and presence of its products to consumers. The all idea will revolve on promotions of our project and its products will include advertising campaigns through broadcasting mass media, fliers and brochures in order to move our project into the centre of demand and supply.

ii. Products Market

Products' marketing will involve creation of awareness on their presence to their potential consumers. It is known that countries of the Middle East, Asia, Europe, America and Africa demand Tanzania minerals and gemstones. In this project our company will promote all those areas as potential markets for mineral products of Tanzania.

Project Implementation

If facilitated by TIC, the project will be implemented within two and half years as from April 2009. In the years 2009 and 2010 the construction for the factory structures and renovation of office structures will be done, the year 2011 will be for procurement and installation of machinery and all other necessary tools for operation and then 2012 will be for operation.

It is recommended that the project be approved to go ahead as conceived by the investors and analysed in this report.

NOTE: Attaches are the financial analysis

INVESTMENT COSTS

	Total construction	Total production	Total investment
Total fixed investment costs	950,000.00	0.00	950,000.00
Total pre-production expenditures	50,000.00	0.00	50,000.00
<i>Pre-production expenditures (net of interest)</i>	50,000.00	0.00	50,000.00
<i>Interest</i>	0.00	0.00	0.00
Increase in net working capital	0.00	1,727.88	1,727.88
TOTAL INVESTMENT COSTS	1,000,000.00	1,727.88	1,001,727.88

SOURCES OF FINANCE

	Total construction	Total production	Total inflow
Total equity capital	1,000,000.00	0.00	1,000,000.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	1,000,000.00	0.00	1,000,000.00
Total long-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Total short-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Accounts payable	0.00	3,038.38	3,038.38
TOTAL SOURCES OF FINANCE	1,000,000.00	3,038.38	1,003,038.38

INCOME AND COSTS, OPERATIONS

	First year 10/2011-12/2011	Reference year 2015	Last year 2020
SALES REVENUE	350,000.00	420,000.00	420,000.00
Factory costs	7,625.43	11,000.61	11,000.61
Administrative overhead costs	0.00	0.00	0.00
OPERATING COSTS	7,625.43	11,000.61	11,000.61
Depreciation	12,500.00	50,000.00	50,000.00
Financial costs	0.00	0.00	0.00
TOTAL PRODUCTION COSTS	20,125.43	61,000.61	61,000.61
Marketing costs	0.00	0.00	0.00
COSTS OF PRODUCTS	20,125.43	61,000.61	61,000.61
Interest on short-term deposits	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	329,874.57	358,999.39	358,999.39
Extraordinary income	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00

SUMMARY SHEET

GROSS PROFIT	329,874.57	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00
TAXABLE PROFIT	329,874.57	358,999.39	358,999.39
Income (corporate) tax	98,962.37	107,699.82	107,699.82
NET PROFIT	230,912.20	251,299.57	251,299.57

RATIOS

Net Present Value of Total Capital Invested	at 12.00 %	412,337.52
Internal rate of return on investment (IRR)	17.47 %	
Modified IRR on investment	17.47 %	
Net Present Value of Total Equity Capital Invested	at 12.00 %	412,337.52
Internal rate of return on equity (IRRE)	17.47 %	
Modified IRRE on equity	17.47 %	

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

NET INCOME STATEMENT

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	8,900.47	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	411,099.53	411,099.53	411,099.53	411,099.53
in % of sales revenue	97.88	97.88	97.88	97.88
Less fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82
NET PROFIT	251,299.57	251,299.57	251,299.57	251,299.57
in % of sales revenue	59.83	59.83	59.83	59.83
Dividends	100,519.83	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	150,779.74	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	25.13	25.13	25.13	25.13
Net profit to net worth (%)	9.17	8.69	8.26	7.87
Net profit+interest to investment (%)	25.09	25.09	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Variable costs	8,900.47	8,900.47	8,900.47	8,900.47
Variable margin	411,099.53	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	97.88	97.88	97.88	97.88
Including cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89

PROJECTED BALANCE SHEET
US Dollars

	Starting balance	10/2008 - 12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET

US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

CASH FLOW FOR FINANCIAL PLANNING - TOTAL
US Dollars

	2013	2014	2015	2016	2017
TOTAL CASH INFLOW	420,065.98	420,000.00	420,000.00	420,000.00	420,000.00
Inflow funds	65.98	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	219,220.26	219,220.26
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	11,000.61	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	0.00
Dividends	100,519.83	100,519.83	100,519.83	100,519.83	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
CUMULATIVE CASH BALANCE	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Net flow of funds	-100,453.85	-100,519.83	-100,519.83	-100,519.83	-100,519.83

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2018	2019	2020	Scrap 2021
TOTAL CASH INFLOW	420,000.00	420,000.00	420,000.00	540,144.60
Inflow funds	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	0.00
Other income	0.00	0.00	0.00	540,144.60
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	916.72
Increase in fixed assets	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	0.00
Marketing costs	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	0.00
Financial costs	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	916.72
Dividends	100,519.83	100,519.83	100,519.83	0.00
Equity capital refund	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,779.74	200,779.74	200,779.74	539,227.88
CUMULATIVE CASH BALANCE	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Foreign surplus (deficit)	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,779.74	200,779.74	200,779.74	539,227.88
Foreign cumulative cash balance	0.00	0.00	0.00	0.00
Local cumulative cash balance	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Net flow of funds	-100,519.83	-100,519.83	-100,519.83	-916.72

NET INCOME STATEMENT

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	8,900.47	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	411,099.53	411,099.53	411,099.53	411,099.53
in % of sales revenue	97.88	97.88	97.88	97.88
Less fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82
NET PROFIT	251,299.57	251,299.57	251,299.57	251,299.57
in % of sales revenue	59.83	59.83	59.83	59.83
Dividends	100,519.83	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	150,779.74	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	25.13	25.13	25.13	25.13
Net profit to net worth (%)	9.17	8.69	8.26	7.87
Net profit+interest to investment (%)	25.09	25.09	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Variable costs	8,900.47	8,900.47	8,900.47	8,900.47
Variable margin	411,099.53	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	97.88	97.88	97.88	97.88
Including cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89

PROJECTED BALANCE SHEET

US Dollars

	Starting balance	10/2008 -12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET
US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2013	2014	2015	2016	2017
TOTAL CASH INFLOW	420,065.98	420,000.00	420,000.00	420,000.00	420,000.00
Inflow funds	65.98	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	219,220.26	219,220.26
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	11,000.61	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	0.00
Dividends	100,519.83	100,519.83	100,519.83	100,519.83	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
CUMULATIVE CASH BALANCE	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Net flow of funds	-100,453.85	-100,519.83	-100,519.83	-100,519.83	-100,519.83

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

TANCO INDUSTRIAL COMPANY LIMITED
BUSINESS PLAN
FOR
ESTABLISHMENT OF A LAPIDARY FACTORY

DRAWN BY:

TicL

P.O Box 42450

DAR ES SALAAM

255 763 585 055

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Basic Company and Project Information

i. Company information.

TANCO INDUSTRIAL COMAPNY LTD was registered as a company on the 9th day of February, 2009 and acquired a Certificate of Incorporation number 69654. The company is owned by two Chinese nationals, that is:

Li Gang	70%
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and

Shen Tacheng	30%
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The company is at its initial stage of establishment and wants to begin by investing in a mineral processing factory, it is located at plot No. 12, Singida street Kurasini area of Temeke district in Dar es salaam. Its primary postal contacts will be P. O. Box 19468, Dar es Salaam

Project Plofile

The project is a fulfilment of one of the company objectives under which it was registered; item '3' (a) declares **"To carry on the business of mineral refinery and processing, ..."**.

The company is to establish a lapidary project where by minerals/gemstones will be purchased and added value locally by cutting, polishing and engraving; and then marketed to various markets. The minerals to be involved are diamonds, gold, tanzanite, luby, sapphires, emeralds, granites, garnets, alexandrite, chrysoberyl, tsavorite, tourmaline and many others available in Tanzania and neighbouring countries.

The project will carry on the company name, be established at the company location and remain in the same ownership of the company's.

The project establishing activities will involve the renovation to finishing of offices, construct workshop, laboratory, show room, stores and packing yards. The complex will have a modern water infrastructure system, drainage system, garden, fenced and electrified.

The Purpose of this report is to give out the profile on the full plan of the project establishment; and help in resources and other facilities mobilization for the easy implementation of this plan.

Investment

The all plan of investment requires a financial capital of about USD 1,000,000.00 as funds to finance various activities of the project establishment. Basically main activities will include construction of one factory structure, renovation of the offices building, procurement of machinery, vehicles, tools and equipments necessary for handling minerals; and the working capital.

Investment Structure

The Breakdown of Costs by Investment Items-Values in USD				
S n	Item	Budget	Breakdown	Categories
1	Land/Building	180,000.00	160,000.00	Office and factory structures
			20,000.00	Fencing and security
	Machinery and Accessories	606,000.00	115,000.00	2 Mineral crushing and separating machines
			40,000.00	Chemicals mixing machine
			130,000.00	3 mineral cutting machines
			96,000.00	Surfacing and polishing machine
			20,000.00	Large photo scanners
			30,000.00	2 cut plotters
			65,000.00	2 Seifs
			45,000.00	Security cameras and biometric access system
			65,000.00	Fire alarm system with sprinklers and touch screen panels
3	Vehicles	200,000.00	120,000.00	2 - security trucks for factory works
			60,000.00	2 - 4WD Hardtops 4x4 for office works
			20,000.00	1 - Staff Vehicle
4	Furniture & Fittings	5,000.00		chairs, tables, cupboards, shelves, etc
5	Pre-Exp.	4,000.00		Procedures, Feeses, etc
6	Others	00.00		
7	Working Capital	5,000.00		
	Total	1,000,000.00		

FINANCIAL PROJECTIONS

Internal Rate of Return

The project's rate of return on investment (IRR) is 17.47%

Net Present Value

The project's Net Present Value (NPV) of total capital invested is 12.00%

Total Assets

The starting balance of the Total Assets of the project will be USD 1,000,000.00, are expected to grow continuously to USD 3,496,481.72 by the last year.

Revenues

The project will earn revenues from selling processed minerals to various gemstones operating companies. The project capacity will be to produce 36,000.00 ounces a ^{YEAR} day, each of which will be sold at an average price of USD 11.67.

In the first year the production will be at 2,999.14 ounces which, will make revenue of about USD 35,000.00. In the second year and other subsequent years the project will operate at almost full capacity producing 35,989.72 ounces and earning a constant revenue of about USD 420,000.00.

i. e.	1 st year	2,999.14 x 11.67	=	34,999.96
	2 nd year	35,989.72 x 11.67	=	420,000.03

Corporate Tax

With that level of production the project will start by paying a corporate tax of USD 98,962.37 in the first year, this will increase to USD 107,699.82 in the second year and that will remain constant to the last year.

Net Profits

The project Gross Profits are assumed to be USD 329,874.57 in the first year and USD 358,999.39 in the second year, to remain constant through. After the corporate taxes are paid, the net profits will be USD 230,912.20 in the first year, and USD 251,299.57 in the second year.

Depreciation

Economic depreciation rates based on 0 used for lifetime of the various capital items have been adopted and the following facts apply for the depreciation rates in this project:

Buildings and civil structures	12%	straight line
equipments	20%	five years
Motor vehicles	20%	straight line
Furniture and Fittings	20%	five years

Pre-operation expenses are amortized and written off after six years

Financial Recommendations

After all the financial reviews of the proposed project, it is obvious that:

- o The project is profitable
- o The operations are financially viable
- o The key ratios are acceptable
- o The liquidity position is sound since the project can meet its financial commitments without any undue difficulties

Project Economics

i. Values

The values of the project are:

- To provide an easy access market to small miners
- Technology transfer where by new and modern ways of cutting and polishing gemstones will be introduced
- To support small miners with advisory role to improve their mining efficiency and competence
- To add value on local produced minerals and thus increase the foreign exchange earnings for development and economic growth
- Income generation through paying taxes and salaries
- The modern lapidary will mark Tanzania as the highest standard in lapidary and gemmological services and the related activities.
- Ability to contribute to Tanzania's employment opportunities creation especially at the factory and in the rural areas where rough stones are mined
- The factory will enhance trainings, research and apprenticeship in the country to reduce the severe inadequacy of technical and scientific personnel in the form of geologists, lapidaries and jewels specialists.

ii. Project Rationality

The rationale for this project establishment is fivefold.

- First the subsection 3 (a) of the objectives under which the company was established (Articles of Association) provide for this project establishment.
- Second the October 1997 Mineral Policy of Tanzania supports the project in parts of: introduction (e), (f), challenges, objectives (vi) and (vii), rationalizing artisanal and small scale mining ; and establishing formal marketing system.

- Third the mineral base (potential) of Tanzania is more promotive to our project establishment and its sustainability
- Forth the presence of many small mines and few lapidary centres is the strength to our project input supply
- In June 2003, Tanzanian banned the export of unprocessed Tanzanite to develop local processing facilities

The Mineral Laws and Regulations guiding this project are obtained in the salient features of the Tanzania Mining Act 1998 recorded as follows:

- right to trade in mineral;
- simplification and consolidation of past statutes on mining and mineral trading;
- improved security of tenure through removal of most past ministerial discretionary powers and introducing a mining advisory committee responsible of advising the Minister on decisions to make;
 - i. Enhanced clarity and transparency;
 - ii. Fair, streamlined and non-discriminatory licensing procedure,
 - iii. Environmental management.

Human Resource

Management

Generally the daily management and operations of the project will be vested to a team of administrative personnel and technical staff supervised by the General Manager of the entire project. However the autonomous authority for operations of the project has been planned to be directly under the Board of Directors, and the General Manager (who is the secretary to the board of directors); these two will also be overseers of the project.

Staff Competence

The project will employ specialized staff, hired as qualified staff as per job requirements and description, mean while all officials will be properly trained by experts hired to brush them on workmanship, work skill, quality production and customer care, the knowledge to be transmitted to all other staffs.

The total number of staff will be 21 with roles as listed below

Title	Number
General Manager	1
Purchasing	3
Lapidary	6
Finance	2
Marketing	2
Drivers	2
Cleaners	1
Security (internal)	4
Total	21

Working Environment

The project intends to have a world standard factory facilitated for best working conditions. The employed will be given jobs descriptions and space to practice their workmanship. The factory will procure enough working tools as much as will be required. There will be payments to cover overtimes and extra job undertaking. Other facilities like tea and meals at work will be provided. There is also a plan for a training program and upgrade staff to develop their.

The project is planned to provide its staff with social services like accommodation, transport, water supply, electricity supply, health services access and workers insures contributions as required by the country regulations.

Workers Welfare

According to the economic performance of the company, the management will improve the standard of living for the all group of people have been employed by the projects by demonstrating and observing their priority needs. Since the project has a long life span, we already have a planning system, which is designed to guarantee a stable and continuous development of the project's community.

Environmental Management

Application of cleaner and safer operation and environmental management will be the policy of the project. Employer and Employees will take serious measures to abide to the policy of environmental care, and the project in general will wisely take a careful look at their work environment and workers' work habits.

Sources of Raw Materials (Minerals/Gemstone Availability)

It is well known that Tanzania has numerous minerals and gemstones' deposits and only a few have been attempted for exploitation. In the feasibility study made to mark the availability of raw materials (gemstones) for the establishment of this project, a lot has been discovered as main milestones for the project progress. Below we provide some few targeted gemstones and areas they are found in Tanzania.

- i. **Diamonds** Mwanza and Shinyanga
- ii. **Gold** around Lake Victoria
- iii. **Tanzanite** Arusha
- iv. **Ruby** Morogoro, Tanga, Coast and Iringa
- v. **Amphibolites** Arusha and Manyara
- vi. **Sepentines** Tanga
- vii. **Sapphire** Morogoro and Tanga
- viii. **Emerald** Manyara, Arusha and Rukwa
- ix. **Garnets** Dodoma, Iringa and Lindi

Marketing

i. Project Promotion and Marketing

Both the project and its products will be marketed. Project marketing will involve creation of awareness on the presence of the project and its qualities to its potential suppliers and presence of its products to consumers. The all idea will revolve on promotions of our project and its products will include advertising campaigns through broadcasting mass media, fliers and brochures in order to move our project into the centre of demand and supply.

ii. Products Market

Products' marketing will involve creation of awareness on their presence to their potential consumers. It is known that countries of the Middle East, Asia, Europe, America and Africa demand Tanzania minerals and gemstones. In this project our company will promote all those areas as potential markets for mineral products of Tanzania.

Project Implementation

If facilitated by TIC, the project will be implemented within two and half years as from April 2009. In the years 2009 and 2010 the construction for the factory structures and renovation of office structures will be done, the year 2011 will be for procurement and installation of machinery and all other necessary tools for operation and then 2012 will be for operation.

It is recommended that the project be approved to go ahead as conceived by the investors and analysed in this report.

NOTE: Attaches are the financial analysis

INVESTMENT COSTS

	Total construction	Total production	Total investment
Total fixed investment costs	950,000.00	0.00	950,000.00
Total pre-production expenditures	50,000.00	0.00	50,000.00
<i>Pre-production expenditures (net of interest)</i>	50,000.00	0.00	50,000.00
<i>Interest</i>	0.00	0.00	0.00
Increase in net working capital	0.00	1,727.88	1,727.88
TOTAL INVESTMENT COSTS	1,000,000.00	1,727.88	1,001,727.88

SOURCES OF FINANCE

	Total construction	Total production	Total inflow
Total equity capital	1,000,000.00	0.00	1,000,000.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	1,000,000.00	0.00	1,000,000.00
Total long-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Total short-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Accounts payable	0.00	3,038.38	3,038.38
TOTAL SOURCES OF FINANCE	1,000,000.00	3,038.38	1,003,038.38

INCOME AND COSTS, OPERATIONS

	First year 10/2011-12/2011	Reference year 2015	Last year 2020
SALES REVENUE	350,000.00	420,000.00	420,000.00
Factory costs	7,625.43	11,000.61	11,000.61
Administrative overhead costs	0.00	0.00	0.00
OPERATING COSTS	7,625.43	11,000.61	11,000.61
Depreciation	12,500.00	50,000.00	50,000.00
Financial costs	0.00	0.00	0.00
TOTAL PRODUCTION COSTS	20,125.43	61,000.61	61,000.61
Marketing costs	0.00	0.00	0.00
COSTS OF PRODUCTS	20,125.43	61,000.61	61,000.61
Interest on short-term deposits	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	329,874.57	358,999.39	358,999.39
Extraordinary income	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00

SUMMARY SHEET

GROSS PROFIT	329,874.57	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00
TAXABLE PROFIT	329,874.57	358,999.39	358,999.39
Income (corporate) tax	98,962.37	107,699.82	107,699.82
NET PROFIT	230,912.20	251,299.57	251,299.57

RATIOS

Net Present Value of Total Capital Invested	at 12.00 %	412,337.52
Internal rate of return on investment (IRR)	17.47 %	
Modified IRR on investment	17.47 %	
Net Present Value of Total Equity Capital Invested	at 12.00 %	412,337.52
Internal rate of return on equity (IRRE)	17.47 %	
Modified IRRE on equity	17.47 %	

CASH FLOW FOR FINANCIAL PLANNING - TOTAL
 US Dollars

	2013	2014	2015	2016	2017
TOTAL CASH INFLOW	420,065.98	420,000.00	420,000.00	420,000.00	420,000.00
Inflow funds	65.98	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	219,220.26	219,220.26
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	11,000.61	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	0.00
Dividends	100,519.83	100,519.83	100,519.83	100,519.83	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
CUMULATIVE CASH BALANCE	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Net flow of funds	-100,453.85	-100,519.83	-100,519.83	-100,519.83	-100,519.83

NET INCOME STATEMENT

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	8,900.47	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	411,099.53	411,099.53	411,099.53	411,099.53
in % of sales revenue	97.88	97.88	97.88	97.88
Less fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82
NET PROFIT	251,299.57	251,299.57	251,299.57	251,299.57
in % of sales revenue	59.83	59.83	59.83	59.83
Dividends	100,519.83	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	150,779.74	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	25.13	25.13	25.13	25.13
Net profit to net worth (%)	9.17	8.69	8.26	7.87
Net profit+interest to investment (%)	25.09	25.09	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Variable costs	8,900.47	8,900.47	8,900.47	8,900.47
Variable margin	411,099.53	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	97.88	97.88	97.88	97.88
Including cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89

PROJECTED BALANCE SHEET
US Dollars

	Starting balance	10/2008 -12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET

US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

CASH FLOW FOR FINANCIAL PLANNING - TOTAL
 US Dollars

	2013	2014	2015	2016	2017
TOTAL CASH INFLOW	420,065.98	420,000.00	420,000.00	420,000.00	420,000.00
Inflow funds	65.98	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	219,220.26	219,220.26
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	11,000.61	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	0.00
Dividends	100,519.83	100,519.83	100,519.83	100,519.83	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
CUMULATIVE CASH BALANCE	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Net flow of funds	-100,453.85	-100,519.83	-100,519.83	-100,519.83	-100,519.83

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2018	2019	2020	Scrap 2021
TOTAL CASH INFLOW	420,000.00	420,000.00	420,000.00	540,144.60
Inflow funds	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	0.00
Other income	0.00	0.00	0.00	540,144.60
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	916.72
Increase in fixed assets	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	0.00
Marketing costs	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	0.00
Financial costs	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	916.72
Dividends	100,519.83	100,519.83	100,519.83	0.00
Equity capital refund	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,779.74	200,779.74	200,779.74	539,227.88
CUMULATIVE CASH BALANCE	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Foreign surplus (deficit)	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,779.74	200,779.74	200,779.74	539,227.88
Foreign cumulative cash balance	0.00	0.00	0.00	0.00
Local cumulative cash balance	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Net flow of funds	-100,519.83	-100,519.83	-100,519.83	-916.72

NET INCOME STATEMENT

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	8,900.47	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	411,099.53	411,099.53	411,099.53	411,099.53
in % of sales revenue	97.88	97.88	97.88	97.88
Less fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	358,999.39	358,999.39	358,999.39	358,999.39
in % of sales revenue	85.48	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	358,999.39	358,999.39	358,999.39	358,999.39
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82
NET PROFIT	251,299.57	251,299.57	251,299.57	251,299.57
in % of sales revenue	59.83	59.83	59.83	59.83
Dividends	100,519.83	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	150,779.74	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	25.13	25.13	25.13	25.13
Net profit to net worth (%)	9.17	8.69	8.26	7.87
Net profit+interest to investment (%)	25.09	25.09	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 2015	Production 2016	Production 2017	Production 2018
Sales revenue	420,000.00	420,000.00	420,000.00	420,000.00
Variable costs	8,900.47	8,900.47	8,900.47	8,900.47
Variable margin	411,099.53	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	97.88	97.88	97.88	97.88
Including cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	52,100.14	52,100.14	52,100.14	52,100.14
Break-even sales value	53,228.13	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	12.67	12.67	12.67	12.67
Fixed costs coverage ratio	7.89	7.89	7.89	7.89

PROJECTED BALANCE SHEET

US Dollars

	Starting balance	10/2008 -12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET

US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL
 US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

TANCO INDUSTRIAL COMPANY LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT OF A LAPIDARY FACTORY

DRAWN BY:

TicL

P.O Box 42450

DAR ES SALAAM

255 763 585 055

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The project will carry on the company name, be established at the company location and remain in the same ownership of the company's.

The project establishing activities will involve the renovation to finishing of offices, construct workshop, laboratory, show room, stores and packing yards. The complex will have a modern water infrastructure system, drainage system, garden, fenced and electrified.

The Purpose of this report is to give out the profile on the full plan of the project establishment; and help in resources and other facilities mobilization for the easy implementation of this plan.

Investment

The all plan of investment requires a financial capital of about USD 1,000,000.00 as funds to finance various activities of the project establishment. Basically main activities will include construction of one factory structure, renovation of the offices building, procurement of machinery, vehicles, tools and equipments necessary for handling minerals; and the working capital.

Investment Structure

The Breakdown of Costs by Investment Items-Values in USD				
S n	Item	Budget	Breakdown	Categories
1	Land/Building	180,000.00	160,000.00	Office and factory structures
			20,000.00	Fencing and security
	Machinery and Accessories	606,000.00	115,000.00	2 Mineral crushing and separating machines
			40,000.00	Chemicals mixing machine
			130,000.00	3 mineral cutting machines
			96,000.00	Surfacing and polishing machine
			20,000.00	Large photo scanners
			30,000.00	2 cut plotters
			65,000.00	2 Seifs
			45,000.00	Security cameras and biometric access system
			65,000.00	Fire alarm system with sprinklers and touch screen panels
3	Vehicles	200,000.00	120,000.00	2 - security trucks for factory works
			60,000.00	2 - 4WD Hardtops 4x4 for office works
			20,000.00	1 - Staff Vehicle
4	Furniture & Fittings	5,000.00		chairs, tables, cupboards, shelves, etc
5	Pre-Exp.	4,000.00		Procedures, Feeses, etc
6	Others	00.00		
7	Working Capital	5,000.00		
	Total	1,000,000.00		

FINANCIAL PROJECTIONS

Internal Rate of Return

The project's rate of return on investment (IRR) is 17.47%

Net Present Value

The project's Net Present Value (NPV) of total capital invested is 12.00%

Total Assets

The starting balance of the Total Assets of the project will be USD 1,000,000.00, are expected to grow continuously to USD 3,496,481.72 by the last year.

Revenues

The project will earn revenues from selling processed minerals to various gemstones operating companies. The project capacity will be to produce 36,000.00 ounces a ^{YEAR} ~~day~~, each of which will be sold at an average price of USD 11.67.

In the first year the production will be at 2,999.14 ounces which, will make revenue of about USD 35,000.00. In the second year and other subsequent years the project will operate at almost full capacity producing 35,989.72 ounces and earning a constant revenue of about USD 420,000.00.

i. e.	1 st year	2,999.14 x 11.67	=	34,999.96
	2 nd year	35,989.72 x 11.67	=	420,000.03

Corporate Tax

With that level of production the project will start by paying a corporate tax of USD 98,962.37 in the first year, this will increase to USD 107,699.82 in the second year and that will remain constant to the last year.

Net Profits

The project Gross Profits are assumed to be USD 329,874.57 in the first year and USD 358,999.39 in the second year, to remain constant through. After the corporate taxes are paid, the net profits will be USD 230,912.20 in the first year, and USD 251,299.57 in the second year.

Depreciation

Economic depreciation rates based on 0 used for lifetime of the various capital items have been adopted and the following facts apply for the depreciation rates in this project:

Buildings and civil structures	12%	straight line
equipments	20%	five years
Motor vehicles	20%	straight line
Furniture and Fittings	20%	five years

Pre-operation expenses are amortized and written off after six years

Financial Recommendations

After all the financial reviews of the proposed project, it is obvious that:

- o The project is profitable
- o The operations are financially viable
- o The key ratios are acceptable
- o The liquidity position is sound since the project can meet its financial commitments without any undue difficulties

Project Economics

i. Values

The values of the project are:

- To provide an easy access market to small miners
- Technology transfer where by new and modern ways of cutting and polishing gemstones will be introduced
- To support small miners with advisory role to improve their mining efficiency and competence
- To add value on local produced minerals and thus increase the foreign exchange earnings for development and economic growth
- Income generation through paying taxes and salaries
- The modern lapidary will mark Tanzania as the highest standard in lapidary and gemmological services and the related activities.
- Ability to contribute to Tanzania's employment opportunities creation especially at the factory and in the rural areas where rough stones are mined
- The factory will enhance trainings, research and apprenticeship in the country to reduce the severe inadequacy of technical and scientific personnel in the form of geologists, lapidaries and jewels specialists.

ii. Project Rationality

The rationale for this project establishment is fivefold.

- First the subsection 3 (a) of the objectives under which the company was established (Articles of Association) provide for this project establishment.
- Second the October 1997 Mineral Policy of Tanzania supports the project in parts of: introduction (e), (f), challenges, objectives (vi) and (vii), rationalizing artisanal and small scale mining ; and establishing formal marketing system.

- Third the mineral base (potential) of Tanzania is more promotive to our project establishment and its sustainability
- Forth the presence of many small mines and few lapidary centres is the strength to our project input supply
- In June 2003, Tanzanian banned the export of unprocessed Tanzanite to develop local processing facilities

The Mineral Laws and Regulations guiding this project are obtained in the salient features of the Tanzania Mining Act 1998 recorded as follows:

- right to trade in mineral;
- simplification and consolidation of past statutes on mining and mineral trading;
- improved security of tenure through removal of most past ministerial discretionary powers and introducing a mining advisory committee responsible of advising the Minister on decisions to make;
 - i. Enhanced clarity and transparency;
 - ii. Fair, streamlined and non-discriminatory licensing procedure,
 - iii. Environmental management.

Human Resource Management

Generally the daily management and operations of the project will be vested to a team of administrative personnel and technical staff supervised by the General Manager of the entire project. However the autonomous authority for operations of the project has been planned to be directly under the Board of Directors, and the General Manager (who is the secretary to the board of directors); these two will also be overseers of the project.

Staff Competence

The project will employ specialized staff, hired as qualified staff as per job requirements and description, mean while all officials will be properly trained by experts hired to brush them on workmanship, work skill, quality production and customer care, the knowledge to be transmitted to all other staffs.

The total number of staff will be 21 with roles as listed below

Title	Number
General Manager	1
Purchasing	3
Lapidary	6
Finance	2
Marketing	2
Drivers	2
Cleaners	1
Security (internal)	4
Total	21

Working Environment

The project intends to have a world standard factory facilitated for best working conditions. The employed will be given jobs descriptions and space to practice their workmanship. The factory will procure enough working tools as much as will be required. There will be payments to cover overtimes and extra job undertaking. Other facilities like tea and meals at work will be provided. There is also a plan for a training program and upgrade staff to develop their.

The project is planned to provide its staff with social services like accommodation, transport, water supply, electricity supply, health services access and workers insures contributions as required by the country regulations.

Workers Welfare

According to the economic performance of the company, the management will improve the standard of living for the all group of people have been employed by the projects by demonstrating and observing their priority needs. Since the project has a long life span, we already have a planning system, which is designed to guarantee a stable and continuous development of the project's community.

Environmental Management

Application of cleaner and safer operation and environmental management will be the policy of the project. Employer and Employees will take serious measures to abide to the policy of environmental care, and the project in general will wisely take a careful look at their work environment and workers' work habits.

Sources of Raw Materials (Minerals/Gemstone Availability)

It is well known that Tanzania has numerous minerals and gemstones' deposits and only a few have been attempted for exploitation. In the feasibility study made to mark the availability of raw materials (gemstones) for the establishment of this project, a lot has been discovered as main milestones for the project progress. Below we provide some few targeted gemstones and areas they are found in Tanzania.

- i. **Diamonds** Mwanza and Shinyanga
- ii. **Gold** around Lake Victoria
- iii. **Tanzanite** Arusha
- iv. **Ruby** Morogoro, Tanga, Coast and Iringa
- v. **Amphibolites** Arusha and Manyara
- vi. **Sepentines** Tanga
- vii. **Sapphire** Morogoro and Tanga
- viii. **Emerald** Manyara, Arusha and Rukwa
- ix. **Garnets** Dodoma, Iringa and Lindi

Marketing

i. Project Promotion and Marketing

Both the project and its products will be marketed. Project marketing will involve creation of awareness on the presence of the project and its qualities to its potential suppliers and presence of its products to consumers. The all idea will revolve on promotions of our project and its products will include advertising campaigns through broadcasting mass media, fliers and brochures in order to move our project into the centre of demand and supply.

ii. Products Market

Products' marketing will involve creation of awareness on their presence to their potential consumers. It is known that countries of the Middle East, Asia, Europe, America and Africa demand Tanzania minerals and gemstones. In this project our company will promote all those areas as potential markets for mineral products of Tanzania.

Project Implementation

If facilitated by TIC, the project will be implemented within two and half years as from April 2009. In the years 2009 and 2010 the construction for the factory structures and renovation of office structures will be done, the year 2011 will be for procurement and installation of machinery and all other necessary tools for operation and then 2012 will be for operation.

It is recommended that the project be approved to go ahead as conceived by the investors and analysed in this report.

NOTE: Attaches are the financial analysis

INVESTMENT COSTS

	Total construction	Total production	Total investment
Total fixed investment costs	950,000.00	0.00	950,000.00
Total pre-production expenditures	50,000.00	0.00	50,000.00
<i>Pre-production expenditures (net of interest)</i>	50,000.00	0.00	50,000.00
<i>Interest</i>	0.00	0.00	0.00
Increase in net working capital	0.00	1,727.88	1,727.88
TOTAL INVESTMENT COSTS	1,000,000.00	1,727.88	1,001,727.88

SOURCES OF FINANCE

	Total construction	Total production	Total inflow
Total equity capital	1,000,000.00	0.00	1,000,000.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	1,000,000.00	0.00	1,000,000.00
Total long-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Total short-term loans	0.00	0.00	0.00
<i>Foreign</i>	0.00	0.00	0.00
<i>Local</i>	0.00	0.00	0.00
Accounts payable	0.00	3,038.38	3,038.38
TOTAL SOURCES OF FINANCE	1,000,000.00	3,038.38	1,003,038.38

INCOME AND COSTS, OPERATIONS

	First year 10/2011-12/2011	Reference year 2015	Last year 2020
SALES REVENUE	350,000.00	420,000.00	420,000.00
Factory costs	7,625.43	11,000.61	11,000.61
Administrative overhead costs	0.00	0.00	0.00
OPERATING COSTS	7,625.43	11,000.61	11,000.61
Depreciation	12,500.00	50,000.00	50,000.00
Financial costs	0.00	0.00	0.00
TOTAL PRODUCTION COSTS	20,125.43	61,000.61	61,000.61
Marketing costs	0.00	0.00	0.00
COSTS OF PRODUCTS	20,125.43	61,000.61	61,000.61
Interest on short-term deposits	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	329,874.57	358,999.39	358,999.39
Extraordinary income	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00

SUMMARY SHEET

GROSS PROFIT	329,874.57	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00
TAXABLE PROFIT	329,874.57	358,999.39	358,999.39
Income (corporate) tax	98,962.37	107,699.82	107,699.82
NET PROFIT	230,912.20	251,299.57	251,299.57

RATIOS

Net Present Value of Total Capital Invested	at 12.00 %	412,337.52
Internal rate of return on investment (IRR)	17.47 %	
Modified IRR on investment	17.47 %	
Net Present Value of Total Equity Capital Invested	at 12.00 %	412,337.52
Internal rate of return on equity (IRRE)	17.47 %	
Modified IRRE on equity	17.47 %	

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2018	2019	2020	Scrap 2021
TOTAL CASH INFLOW	420,000.00	420,000.00	420,000.00	540,144.60
Inflow funds	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	0.00
Other income	0.00	0.00	0.00	540,144.60
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	916.72
Increase in fixed assets	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	0.00
Marketing costs	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	0.00
Financial costs	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	916.72
Dividends	100,519.83	100,519.83	100,519.83	0.00
Equity capital refund	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,779.74	200,779.74	200,779.74	539,227.88
CUMULATIVE CASH BALANCE	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Foreign surplus (deficit)	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,779.74	200,779.74	200,779.74	539,227.88
Foreign cumulative cash balance	0.00	0.00	0.00	0.00
Local cumulative cash balance	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Net flow of funds	-100,519.83	-100,519.83	-100,519.83	-916.72

NET INCOME STATEMENT

US Dollars

	Production 10/2011-12/2011	Production 2012	Production 2013	Production 2014
Sales revenue	350,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	6,262.89	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	343,737.11	411,099.53	411,099.53	411,099.53
in % of sales revenue	98.21	97.88	97.88	97.88
Less fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	329,874.57	358,999.39	358,999.39	358,999.39
in % of sales revenue	94.25	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	329,874.57	358,999.39	358,999.39	358,999.39
in % of sales revenue	94.25	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	329,874.57	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	329,874.57	358,999.39	358,999.39	358,999.39
Income (corporate) tax	98,962.37	107,699.82	107,699.82	107,699.82
NET PROFIT	230,912.20	251,299.57	251,299.57	251,299.57
in % of sales revenue	65.97	59.83	59.83	59.83
Dividends	92,364.88	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	138,547.32	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	23.09	25.13	25.13	25.13
Net profit to net worth (%)	10.80	10.98	10.30	9.70
Net profit+interest to investment (%)	22.99	25.08	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 10/2011-12/2011	Production 2012	Production 2013	Production 2014
Sales revenue	350,000.00	420,000.00	420,000.00	420,000.00
Variable costs	6,262.89	8,900.47	8,900.47	8,900.47
Variable margin	343,737.11	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	98.21	97.88	97.88	97.88
Including cost of finance				
Fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	14,115.11	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	4.03	12.67	12.67	12.67
Fixed costs coverage ratio	24.80	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
Break-even sales value	14,115.11	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	4.03	12.67	12.67	12.67
Fixed costs coverage ratio	24.80	7.89	7.89	7.89

PROJECTED BALANCE SHEET

US Dollars

	Starting balance	10/2008 -12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET

US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

CASH FLOW FOR FINANCIAL PLANNING - TOTAL
 US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2013	2014	2015	2016	2017
TOTAL CASH INFLOW	420,065.98	420,000.00	420,000.00	420,000.00	420,000.00
Inflow funds	65.98	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	420,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	219,220.26	219,220.26
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	11,000.61	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	107,699.82	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	0.00
Dividends	100,519.83	100,519.83	100,519.83	100,519.83	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
CUMULATIVE CASH BALANCE	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,845.72	200,779.74	200,779.74	200,779.74	200,779.74
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	1,550,878.93	1,751,658.67	1,952,438.41	2,153,218.16	2,353,997.90
Net flow of funds	-100,453.85	-100,519.83	-100,519.83	-100,519.83	-100,519.83

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	2018	2019	2020	Scrap 2021
TOTAL CASH INFLOW	420,000.00	420,000.00	420,000.00	540,144.60
Inflow funds	0.00	0.00	0.00	0.00
Inflow operation	420,000.00	420,000.00	420,000.00	0.00
Other income	0.00	0.00	0.00	540,144.60
TOTAL CASH OUTFLOW	219,220.26	219,220.26	219,220.26	916.72
Increase in fixed assets	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	0.00
Operating costs	11,000.61	11,000.61	11,000.61	0.00
Marketing costs	0.00	0.00	0.00	0.00
Income (corporate) tax	107,699.82	107,699.82	107,699.82	0.00
Financial costs	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	916.72
Dividends	100,519.83	100,519.83	100,519.83	0.00
Equity capital refund	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	200,779.74	200,779.74	200,779.74	539,227.88
CUMULATIVE CASH BALANCE	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Foreign surplus (deficit)	0.00	0.00	0.00	0.00
Local surplus (deficit)	200,779.74	200,779.74	200,779.74	539,227.88
Foreign cumulative cash balance	0.00	0.00	0.00	0.00
Local cumulative cash balance	2,554,777.64	2,755,557.39	2,956,337.13	3,495,565.01
Net flow of funds	-100,519.83	-100,519.83	-100,519.83	-916.72

NET INCOME STATEMENT

US Dollars

	Production 10/2011-12/2011	Production 2012	Production 2013	Production 2014
Sales revenue	350,000.00	420,000.00	420,000.00	420,000.00
Less variable costs	6,262.89	8,900.47	8,900.47	8,900.47
VARIABLE MARGIN	343,737.11	411,099.53	411,099.53	411,099.53
in % of sales revenue	98.21	97.88	97.88	97.88
Less fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
OPERATIONAL MARGIN	329,874.57	358,999.39	358,999.39	358,999.39
in % of sales revenue	94.25	85.48	85.48	85.48
Interest on short-term deposits	0.00	0.00	0.00	0.00
Financial costs	0.00	0.00	0.00	0.00
GROSS PROFIT FROM OPERATIONS	329,874.57	358,999.39	358,999.39	358,999.39
in % of sales revenue	94.25	85.48	85.48	85.48
Extraordinary income	0.00	0.00	0.00	0.00
Extraordinary loss	0.00	0.00	0.00	0.00
Depreciation allowances	0.00	0.00	0.00	0.00
GROSS PROFIT	329,874.57	358,999.39	358,999.39	358,999.39
Investment allowances	0.00	0.00	0.00	0.00
TAXABLE PROFIT	329,874.57	358,999.39	358,999.39	358,999.39
Income (corporate) tax	98,962.37	107,699.82	107,699.82	107,699.82
NET PROFIT	230,912.20	251,299.57	251,299.57	251,299.57
in % of sales revenue	65.97	59.83	59.83	59.83
Dividends	92,364.88	100,519.83	100,519.83	100,519.83
RETAINED PROFIT	138,547.32	150,779.74	150,779.74	150,779.74
RATIOS				
Net profit to equity (%)	23.09	25.13	25.13	25.13
Net profit to net worth (%)	10.80	10.98	10.30	9.70
Net profit+interest to investment (%)	22.99	25.08	25.09	25.09

BREAK-EVEN ANALYSIS - TOTAL

US Dollars

	Production 10/2011-12/2011	Production 2012	Production 2013	Production 2014
Sales revenue	350,000.00	420,000.00	420,000.00	420,000.00
Variable costs	6,262.89	8,900.47	8,900.47	8,900.47
Variable margin	343,737.11	411,099.53	411,099.53	411,099.53
Variable margin ratio (%)	98.21	97.88	97.88	97.88
Including cost of finance				
Fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
Financial costs	0.00	0.00	0.00	0.00
Break-even sales value	14,115.11	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	4.03	12.67	12.67	12.67
Fixed costs coverage ratio	24.80	7.89	7.89	7.89
Excluding cost of finance				
Fixed costs	13,862.54	52,100.14	52,100.14	52,100.14
Break-even sales value	14,115.11	53,228.13	53,228.13	53,228.13
Break-even ratio (%)	4.03	12.67	12.67	12.67
Fixed costs coverage ratio	24.80	7.89	7.89	7.89

PROJECTED BALANCE SHEET

US Dollars

	Starting balance	10/2008 -12/2008	2009	2010	2011
TOTAL ASSETS	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current assets	0.00	950,000.00	1,000,000.00	1,000,000.00	1,154,019.72
Total fixed assets, net of depreciation	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	987,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,141,519.72
Total current liabilities	0.00	0.00	0.00	0.00	2,972.40
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	0.00	950,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Retained profit	0.00	0.00	0.00	0.00	138,547.32
Net worth	1,000,000.00	1,950,000.00	2,000,000.00	2,000,000.00	2,138,547.32
RATIOS					
Equity to total liabilities (%)	0.00	48.72	50.00	50.00	46.70
Net worth to total liabilities (%)	100.00	100.00	100.00	100.00	99.86
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	0.00	0.00	0.00	0.00	388.24

PROJECTED BALANCE SHEET

US Dollars

	2012	2013	2014	2015	2016
TOTAL ASSETS	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current assets	1,352,677.80	1,553,523.52	1,754,303.27	1,955,083.01	2,155,862.75
Total fixed assets, net of depreciation	937,500.00	887,500.00	837,500.00	787,500.00	737,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	2,290,177.80	2,441,023.52	2,591,803.27	2,742,583.01	2,893,362.75
Total current liabilities	850.74	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,138,547.32	1,289,327.06	1,440,106.81	1,590,886.55	1,741,666.29
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	2,289,327.06	2,440,106.81	2,590,886.55	2,741,666.29	2,892,446.03
RATIOS					
Equity to total liabilities (%)	43.66	40.97	38.58	36.46	34.56
Net worth to total liabilities (%)	99.96	99.96	99.96	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00	0.00
Current assets to current liabilities	1,590.00	1,694.66	1,913.68	2,132.70	2,351.72

PROJECTED BALANCE SHEET

US Dollars

	2017	2018	2019	2020
TOTAL ASSETS	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current assets	2,356,642.50	2,557,422.24	2,758,201.98	2,958,981.72
Total fixed assets, net of depreciation	687,500.00	637,500.00	587,500.00	537,500.00
Accumulated losses brought forward	0.00	0.00	0.00	0.00
Loss in current year	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	3,044,142.50	3,194,922.24	3,345,701.98	3,496,481.72
Total current liabilities	916.72	916.72	916.72	916.72
Total long-term debt	0.00	0.00	0.00	0.00
Total equity capital	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Reserves, retained profit brought forward	1,892,446.03	2,043,225.78	2,194,005.52	2,344,785.26
Retained profit	150,779.74	150,779.74	150,779.74	150,779.74
Net worth	3,043,225.78	3,194,005.52	3,344,785.26	3,495,565.01
RATIOS				
Equity to total liabilities (%)	32.85	31.30	29.89	28.60
Net worth to total liabilities (%)	99.97	99.97	99.97	99.97
Long-term debt to net worth	0.00	0.00	0.00	0.00
Current assets to current liabilities	2,570.74	2,789.76	3,008.78	3,227.80

CASH FLOW FOR FINANCIAL PLANNING - TOTAL

US Dollars

	10/2008 -12/2008	2009	2010	2011	2012
TOTAL CASH INFLOW	950,000.00	50,000.00	0.00	352,972.40	420,000.00
Inflow funds	950,000.00	50,000.00	0.00	2,972.40	0.00
Inflow operation	0.00	0.00	0.00	350,000.00	420,000.00
Other income	0.00	0.00	0.00	0.00	0.00
TOTAL CASH OUTFLOW	0.00	0.00	0.00	206,212.83	216,726.36
Increase in fixed assets	0.00	0.00	0.00	0.00	0.00
Increase in current assets	0.00	0.00	0.00	7,260.15	-4,615.56
Operating costs	0.00	0.00	0.00	7,625.43	11,000.61
Marketing costs	0.00	0.00	0.00	0.00	0.00
Income (corporate) tax	0.00	0.00	0.00	98,962.37	107,699.82
Financial costs	0.00	0.00	0.00	0.00	0.00
Loan repayment	0.00	0.00	0.00	0.00	2,121.67
Dividends	0.00	0.00	0.00	92,364.88	100,519.83
Equity capital refund	0.00	0.00	0.00	0.00	0.00
SURPLUS (DEFICIT)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
CUMULATIVE CASH BALANCE	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Foreign surplus (deficit)	0.00	0.00	0.00	0.00	0.00
Local surplus (deficit)	950,000.00	50,000.00	0.00	146,759.57	203,273.64
Foreign cumulative cash balance	0.00	0.00	0.00	0.00	0.00
Local cumulative cash balance	950,000.00	1,000,000.00	1,000,000.00	1,146,759.57	1,350,033.21
Net flow of funds	950,000.00	50,000.00	0.00	-89,392.48	-102,641.49