



HAI NA BAI CHUAN  
CONSTRUCTION Co. LTD

# MINUTE SHEET

Dokezo  
No.

1.0 Datto/Adem - F2

Kindly get clarification as per F2 also conduct PVV for site verification

Dress  
Ag. DIF  
04/08/2011

2.0

DIF  
We are forwarding to you PVV report for Hai na Bai Chuan Construction Co. Ltd. for further facilitation and action.

SIFO - Datto Stanley  
09/9/2011

3.0

AS EXD F2 F3 F4

following your query on the Type of structures F2 and instruction to conduct PVV, The project was visited by two officers as per report submitted.

The officers found out the investor is at the initial stages of implementation i.e. acquiring of the land.

Since the investor will only start full implementation of the project after being registered,  
P.S.O

# MINUTE SHEET

Dokezo  
No.

It is therefore recommended that the  
Inventor project be approved and also to  
make him change the use of the area  
from residential to Industrial as recommended  
by officials.

1. Submit

19/09/2011

  
DIF

40 DIF

The project is approved subject to EIA to be  
cleared by NEMC.

~~Ag EXD~~

Ag EXD

20/09/11



## TIC Evaluation Report

**Name of the Company**  
**Hai Na Bai Chuan Construction Company Ltd**

Post Box	Kibada	COI Number	75487	Contact	Bai Lingbo
Post Office	32915	COI Date	18/03/2010	Designation	Manager
Region	Dar Es Salaam	Application F. No	09317	Phone	
Country	Tanzania	Status		Direct Phone	
		Sector	Manufacturing	Cell Phone	0754 320888
		Sub Sector	Furniture	Fax	
		File No	042077	E-Mail Address	

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 31 Block 23	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0</td> <td>0.251</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1	0	0.251	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
1	0		0.251	0									
Street	Kibada												
District	Temeke												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Li Yumei	Chinese	5	Plant	0.955
Pang Xinying	Chinese	95	Vehicles	0.102
			Furniture & Fittings	0.07
			Pre-expenses	0.054
			Others	0
			Working Capital	0.07
			Total	1.251

Employment	8	Evaluated By	,wf officer4
Capacity	36tons/annum	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

**Description**

To establish a furniture manufacturing facilities

**Recommendations**

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

**Decision**

**BUSINESS PLAN**

*Prepared for:*

**HAI NA BAI CHUAN CONSTRUCTION CO LIMITED  
DAR ES SALAAM**

**CONTENTS**

**PAGE**

Project Background	3
Commercial Analysis	3
Technical Analysis	4
Financial Analysis	4
Economic Analysis	4
Conclusion	4
Key assumptions	5

**ANNEXES**

Cash Flow Analysis	I
Audited Accounts	II

## **1.0. PROJECT BACKGROUND:**

**HAI NA BAI CHUAN CONSTRUCTION CO.LIMITES** is the limited liability company incorporated under the laws of Tanzania, with a certificate of registration number 75487 dated 18<sup>th</sup> March 2010, with its head office located on plot # 31, block 23 Kibada-Temke Municipal. The principal activity of the company is that of timber processing and manufacturing of various furniture. The area coverage comprise of 1520 square meters with certificate of occupancy number 112077.

Of recent, the sponsor's business has grown rapidly with high demand for timber and saw mill services due to booming in the construction industry. This has been brought by combination of several factors including site location (Kibada-Temeke where most of furniture are being made) and dedicated management team that provide excellent and efficient services. In order to capitalize on the existing opportunities where most of the carpenters want service under one roof, the promoters thought of going into TIC to solicit for certificate of incentives to be able to add more machines of different uses such as panel for door, shapping of knives, drilling of door holes etc, so as to realize more revenue.

## **1.2 COMMERCIAL ANALYSIS:**

Currently there are other similar businesses in the project area (saw mill and timber services) but still the demand is so high and has not yet been satisfied. Around the project area the services are still below of the prevailing demand of the saw mill and sale of timber.

The pricing procedure is carefully considered which involved direct costs and indirect costs together with bank charges and interests plus certain percentage of around 20–25% as mark-up. Sponsor observed current existing market prices so as to meet the competitive prices in the market.

## **1.3 TECHNICAL ANALYSIS:**

The project saw mill and sale of timber are strategically located in carpenter area (Kibada-Temeke) which ensures constant in flow of carpenters in the saw mill factory. Also, the sale of timber is constantly needed due to the surroundings (carpenters) which call for higher demand. The infrastructure around the projects are well design and available. The sponsor has consirable operational experience in this business and has thus become knowledgeable and good business management and this creating a positive goodwill to customers and other suppliers.

## **1.4 FINANCIA AND INVESTMENT ANALYSIS:**

Financial structure show that 80% of funds to be invested will be equity while 20% will be a loan from commercial institution or bank. Appendix II shows the cash flows covering the project period. The cash flow show that the business will be sufficient to generate enough cash to cover for its operation as well as servicing the short term debts. Appendix I show the profit and loss accounts covering the project evaluation period and appendix III show the balance sheet covering the project evaluation period. The balance sheet shows that healthy position where current liabilities are well covered with current assets.

The following is the list of equipments to be purchased for the business

<b>Cost Item</b>	<b>TZS</b>
Preliminary Items	54,081,000
Equipments and Machinery	955,976,000
Motor Vehicles	102,425,000
Working Capital	70,758,000
Furniture & Fittings	70,000,000
<b>Total Cost</b>	<b>1,253,240,000</b>

Owners' Funds (40%)	1,002,592,000
Term Loan (60%)	250,648,000
<b>Total</b>	<b>1,253,240,000</b>

#### 1.7. ECONOMIC ANALYSIS:

The Government is going to benefit economically by the way of getting revenue from the project in terms of corporation tax, and duties and levies. This revenue will be used to finance different government activities like educational services and so on.

#### 1.8. CONCLUSION AND RECOMMENDATIONS:

The analysis of this plan indicates that this project is both economically and financially viable proposition. The promoter is a well experienced and conversant with this kind of business. So it should be supported by financial institution/commercial bank through credit facility.

#### ASSUMPTIONS AND CONSIDERATIONS

1. Sales Revenue is expected to grow by 20% yearly.
2. Operating costs is expected to grow by 10% per annum.
3. Interest rate is 22% per annum with 1.5% commission.

HAI NA BAI CHUAN CONSTRUCTION LTD

Projected Balance Sheet	Year I	Year II	Year III	Year IV	Year V
Fixed assets	488,936,999	1,039,342,804	1,335,579,972	1,715,808,902	2,087,756,705
<b>Current Assets</b>					
Stocks	10,031,782	20,512,496	23,995,893	26,395,482	29,035,031
Debtors & Prepayments	2,594,659	1,037,864	830,291	913,320	1,004,652
Cash and Bank	355,118,709	94,723,200	104,195,520	114,615,072	126,076,579
	<b>367,745,150</b>	<b>116,273,559</b>	<b>129,021,704</b>	<b>141,923,874</b>	<b>166,116,262</b>
Creditors	(500,000)	(300,000)	(180,000)	(201,600)	(604,800)
Taxation	(1,684,689)	(1,726,806)	(1,070,620)	(920,733)	(819,452)
Long Term Loan	(64,990,536)	(43,543,659)	0	0	0
<b>Net assets</b>	<b><u>789,506,924</u></b>	<b><u>1,110,045,898</u></b>	<b><u>1,463,351,056</u></b>	<b><u>1,856,610,443</u></b>	<b><u>2,242,448,714</u></b>
<b>Capital Employed</b>					
Capital Account	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Accumulated profit/(loss)	289,506,924	610,045,897	963,351,056	1,356,610,443	1,742,448,714
<b>Total capital employed</b>	<b><u>789,506,924</u></b>	<b><u>1,110,045,897</u></b>	<b><u>1,463,351,056</u></b>	<b><u>1,856,610,443</u></b>	<b><u>2,242,448,714</u></b>

HAI NA BAI CHUAN CONSTRUCTION LTD

Projected Income Statement	Year I	Year II	Year III	Year IV	Year V
Income	1,076,400,000	1,184,040,000	1,302,444,000	1,432,688,400	1,411,795,028
Cost of sales	635,076,000	698,583,600	768,441,960	845,286,156	832,959,066
<b>Operating expenses</b>					
Salaries & wages	5,400,000	5,940,000	6,534,000	7,187,400	7,906,140
Machines repair & maintainance	300,000	330,000	363,000	399,300	439,230
Office Rent	3,000,000	3,300,000	3,630,000	3,993,000	4,392,300
Telephones, Fax, Postage & Internet	600,000	660,000	726,000	798,600	878,460
Transport	720,000	792,000	871,200	958,320	1,054,152
Legal & Professional fees	120,000	132,000	145,200	159,720	175,692
Factory expenses	360,000	396,000	435,600	479,160	527,076
Fuel & Lubricant	1,800,000	1,980,000	2,178,000	2,395,800	2,635,380
Water & Electricity	1,095,600	1,205,160	1,325,676	1,458,244	1,604,068
Audit fees	720,000	792,000	871,200	958,320	1,054,152
Travelling	180,000	198,000	217,800	239,580	263,538
Bank Charges & Commission	996,000	1,095,600	1,205,160	1,325,676	1,458,244
Bank Interest	7,201,080	5,472,821	5,527,549	0	0
Depreciation	5,250,000	5,250,000	5,250,000	5,250,000	5,250,000
	<u>27,742,680</u>	<u>27,543,581</u>	<u>29,280,385</u>	<u>25,603,120</u>	<u>27,638,432</u>
Profit before tax	413,581,320	457,912,819	504,721,655	561,799,124	551,197,530
Taxation	<u>124,074,396</u>	<u>137,373,846</u>	<u>151,416,496</u>	<u>168,539,737</u>	<u>165,359,259</u>
<b>Profit for the year</b>	<b><u>289,506,924</u></b>	<b><u>320,538,973</u></b>	<b><u>353,305,158</u></b>	<b><u>393,259,387</u></b>	<b><u>385,838,271</u></b>

**HAI NA BAI CHUAN CONSTRUCTION CO LIMITED**  
**PROJECTED CASH FLOW**

Year I  
(In TZS)

<b>INFLOWS</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>May</b>	<b>June</b>	<b>July</b>	<b>August</b>	<b>TOTAL</b>
Sale of furniture	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	78,000,000	936,000,000
Income from non-furniture items-saw mill	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	11,700,000	140,400,000
Loan from bank	0	0	0	200,000,000	0	0	0	0	0	0	0	0	200,000,000
<b>TOTAL In Flows</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>289,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>89,700,000</b>	<b>1,276,400,000</b>
<b>OUTFLOWS</b>													
Purchases	15,000,000		117,000,000		156,000,000		156,000,000		156,000,000		156,000,000		756,000,000
Salaries & wages	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	450,000	5,400,000
Machines repair & maintenance	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	300,000
Office Rent	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	3,000,000
Telephones, Fax, Postage & Internet	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	600,000
Transport	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Legal & Professional fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Factory expenses	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	360,000
Fuel & Lubricant	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	1,800,000
Water & Electricity	91,300	91,300	91,300	91,300	91,300	91,300	91,300	91,300	91,300	91,300	91,300	91,300	1,095,600
Audit fees	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	720,000
Travelling	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Bank Charges & Commission	908,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	996,000
Loan Repayment	0	0	0	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	173,999,997
<b>Total Out Flows</b>	<b>17,099,300</b>	<b>1,199,300</b>	<b>118,199,300</b>	<b>20,532,633</b>	<b>176,532,633</b>	<b>20,532,633</b>	<b>176,532,633</b>	<b>20,532,633</b>	<b>176,532,633</b>	<b>20,532,633</b>	<b>176,532,633</b>	<b>20,532,633</b>	<b>945,291,597</b>
Taxation	500,000	0		500,000			500,000			500,000			2,000,000
Opening Balance	8,345,040	80,445,740	168,946,440	140,447,140	409,114,507	322,281,874	391,449,241	304,116,608	373,283,975	286,451,342	355,118,709	268,286,076	8,345,040
Movement during the period	72,100,700	88,500,700	(28,499,300)	268,667,367	(86,832,633)	69,167,367	(87,332,633)	69,167,367	(86,832,633)	68,667,367	(86,832,633)	69,167,367	329,108,403
Closing balance	80,445,740	168,946,440	140,447,140	409,114,507	322,281,874	391,449,241	304,116,608	373,283,975	286,451,342	355,118,709	268,286,076	337,453,443	337,453,443

HAI NA BAI CHUAN CONSTRUCTION LTD  
PROJECTED CASH FLOW

Year II

INFLOWS	September	October	November	December	January	February	March	April	May	June	July	August	TOTAL
Sale of furniture	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	85,800,000	1,029,600,000
Income from non-furniture items-saw mill	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	12,870,000	154,440,000
<b>TOTAL In Flows</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>98,670,000</b>	<b>1,184,040,000</b>
<b>OUTFLOWS</b>													
Purchases	120,000,000		0	120,000,000		0	120,000,000		0	120,000,000		0	480,000,000
Salaries & wages	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	495,000	5,940,000
Machines repair & maintenance	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
Office Rent	275,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	550,000
Telephones, Fax, Postage & Internet	55,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	2,805,000
Transport	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	792,000
Legal & Professional fees	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	132,000
Factory expenses	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	33,000	396,000
Fuel & Lubricant	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	165,000	1,980,000
Water & Electricity	100,430	100,430	100,430	100,430	100,430	100,430	100,430	100,430	100,430	100,430	100,430	100,430	1,205,160
Audit fees	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	792,000
Travelling	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	16,500	198,000
Bank Charges & Commission	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	8,800	105,600
Loan Repayment	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	19,333,333	0	0	0	0	0	0	115,999,998
<b>Total Out Flows</b>	<b>140,652,563</b>	<b>20,597,563</b>	<b>20,597,563</b>	<b>140,597,563</b>	<b>20,597,563</b>	<b>20,597,563</b>	<b>121,264,230</b>	<b>1,264,230</b>	<b>1,264,230</b>	<b>121,264,230</b>	<b>1,264,230</b>	<b>1,264,230</b>	<b>611,225,758</b>
Taxation	500,000	0		500,000			500,000			500,000			2,000,000
Opening Balance	337,453,443	294,970,880	373,043,317	451,115,754	408,688,191	486,760,628	564,833,065	541,738,835	639,144,605	736,550,375	713,456,145	810,861,915	337,453,443
Movement during the period	(42,482,563)	78,072,437	78,072,437	(42,427,563)	78,072,437	78,072,437	(23,094,230)	97,405,770	97,405,770	(23,094,230)	97,405,770	97,405,770	570,814,242
Closing balance	294,970,880	373,043,317	451,115,754	408,688,191	486,760,628	564,833,065	541,738,835	639,144,605	736,550,375	713,456,145	810,861,915	908,267,685	908,267,685

HAI NA BAI CHUAN CONSTRUCTION LTD  
PROJECTED CASH FLOW

Year III

INFLOWS	September	October	November	December	January	February	March	April	May	June	July	August	TOTAL
Sale of furniture	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	94,380,000	1,132,560,000
Income from non-furniture items-saw mill	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	14,157,000	169,884,000
<b>TOTAL In Flows</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>108,537,000</b>	<b>1,302,444,000</b>
<b>OUTFLOWS</b>													
Purchases	300,000,000	0	0	300,000,000	0	0	300,000,000	0	0	300,000,000	0	0	1,200,000,000
Salaries & wages	544,500	544,500	544,500	544,500	544,500	544,500	544,500	544,500	544,500	544,500	544,500	544,500	6,534,000
Machines repair & maintenance	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	363,000
Office Rent	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	27,500	330,000
Telephones, Fax, Postage & internet	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	275,000	3,300,000
Transport	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	871,200
Legal & Professional fees	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100	145,200
Factory expenses	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	36,300	435,600
Fuel & Lubricant	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	181,500	2,178,000
Water & Electricity	110,473	110,473	110,473	110,473	110,473	110,473	110,473	110,473	110,473	110,473	110,473	110,473	1,325,676
Audit fees	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	72,600	871,200
Travelling	18,150	18,150	18,150	18,150	18,150	18,150	18,150	18,150	18,150	18,150	18,150	18,150	217,800
Bank Charges & Commission	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	9,680	116,160
Loan Repayment	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Out Flows</b>	<b>301,390,653</b>	<b>1,390,653</b>	<b>1,390,653</b>	<b>301,390,653</b>	<b>1,390,653</b>	<b>1,390,653</b>	<b>301,390,653</b>	<b>1,390,653</b>	<b>1,390,653</b>	<b>301,390,653</b>	<b>1,390,653</b>	<b>1,390,653</b>	<b>1,216,687,836</b>
Taxation	500,000	0	0	500,000	0	0	500,000	0	0	500,000	0	0	2,000,000
Opening Balance	908,267,685	714,914,032	822,060,379	929,206,726	735,853,073	842,999,420	950,145,767	756,792,114	863,938,461	971,084,808	777,731,155	884,877,502	908,267,685
Movement during the period	(193,353,653)	107,146,347	107,146,347	(193,353,653)	107,146,347	107,146,347	(193,353,653)	107,146,347	107,146,347	(193,353,653)	107,146,347	107,146,347	83,756,164
Closing balance	714,914,032	822,060,379	929,206,726	735,853,073	842,999,420	950,145,767	756,792,114	863,938,461	971,084,808	777,731,155	884,877,502	992,023,849	992,023,849

HAI NA BAI CHUAN CONSTRUCTION LTD  
PROJECTED CASH FLOW

Year IV

INFLOWS	September	October	November	December	January	February	March	April	May	June	July	August	TOTAL
Sale of furniture	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	103,818,000	1,245,816,000
Income from non-furniture items-saw mill	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	15,572,700	186,872,400
<b>TOTAL In Flows</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>119,390,700</b>	<b>1,432,688,400</b>
<b>OUTFLOWS</b>													
Purchases	360,000,000	0	0	360,000,000	0	0	360,000,000	0	0	360,000,000	0	0	1,440,000,000
Salaries & wages	598,950	598,950	598,950	598,950	598,950	598,950	598,950	598,950	598,950	598,950	598,950	598,950	7,187,400
Machines repair & maintenance	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	399,300
Office Rent	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	30,250	363,000
Telephones, Fax, Postage & Internet	302,500	302,500	302,500	302,500	302,500	302,500	302,500	302,500	302,500	302,500	302,500	302,500	3,630,000
Transport	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	958,320
Legal & Professional fees	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	13,310	159,720
Factory expenses	39,930	39,930	39,930	39,930	39,930	39,930	39,930	39,930	39,930	39,930	39,930	39,930	479,160
Fuel & Lubricant	199,650	199,650	199,650	199,650	199,650	199,650	199,650	199,650	199,650	199,650	199,650	199,650	2,395,800
Water & Electricity	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	121,520	1,458,244
Audit fees	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	79,860	958,320
Travelling	19,965	19,965	19,965	19,965	19,965	19,965	19,965	19,965	19,965	19,965	19,965	19,965	239,580
Bank Charges & Commission	10,648	10,648	10,648	10,648	10,648	10,648	10,648	10,648	10,648	10,648	10,648	10,648	127,776
<b>Total Out Flows</b>	<b>361,529,718</b>	<b>1,529,718</b>	<b>1,529,718</b>	<b>361,529,718</b>	<b>1,529,718</b>	<b>1,529,718</b>	<b>361,529,718</b>	<b>1,529,718</b>	<b>1,529,718</b>	<b>361,529,718</b>	<b>1,529,718</b>	<b>1,529,718</b>	<b>1,458,356,620</b>
Taxation	500,000	0		500,000			500,000			500,000			2,000,000
Opening Balance	992,023,849	749,384,831	867,245,812	985,106,794	742,467,776	860,328,758	978,189,739	735,550,721	853,411,703	971,272,684	728,633,666	846,494,648	992,023,849
Movement during the period	(242,639,018)	117,860,982	117,860,982	(242,639,018)	117,860,982	117,860,982	(242,639,018)	117,860,982	117,860,982	(242,639,018)	117,860,982	117,860,982	(27,668,220)
Closing balance	749,384,831	867,245,812	985,106,794	742,467,776	860,328,758	978,189,739	735,550,721	853,411,703	971,272,684	728,633,666	846,494,648	964,355,629	964,355,629

HAI NA BAI CHUAN CONSTRUCTION LTD  
PROJECTED CASH FLOW

Year V

INFLOWS	September	October	November	December	January	February	March	April	May	June	July	August	TOTAL
Sale of furniture	114,199,800	114,199,800	114,199,800	114,199,800	114,199,800	114,199,800	114,199,800	85,649,850	85,649,850	85,649,850	85,649,850	85,649,850	1,227,647,850
Income from non-furniture items-saw mill	17,129,970	17,129,970	17,129,970	17,129,970	17,129,970	17,129,970	17,129,970	12,847,478	12,847,478	12,847,478	12,847,478	12,847,478	184,147,178
<b>TOTAL In Flows</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>131,329,770</b>	<b>98,497,328</b>	<b>98,497,328</b>	<b>98,497,328</b>	<b>98,497,328</b>	<b>98,497,328</b>	<b>1,411,795,028</b>
<b>OUTFLOWS</b>													
Purchases	396,000,000	0	0	396,000,000	0	0	396,000,000	0	0	396,000,000	0	0	1,584,000,000
Salaries & wages	658,845	658,845	658,845	658,845	658,845	658,845	658,845	665,433	665,433	665,433	665,433	665,433	7,939,082
Machines repair & maintenance	36,603	36,603	36,603	36,603	36,603	36,603	36,603	36,969	36,969	36,969	36,969	36,969	441,060
Office Rent	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	33,275	399,300
Telephones, Fax, Postage & Internet	332,750	332,750	332,750	332,750	332,750	332,750	332,750	336,078	336,078	336,078	336,078	336,078	4,009,638
Transport	87,846	87,846	87,846	87,846	87,846	87,846	87,846	88,724	88,724	88,724	88,724	88,724	1,058,544
Legal & Professional fees	14,641	14,641	14,641	14,641	14,641	14,641	14,641	14,787	14,787	14,787	14,787	14,787	176,424
Factory expenses	43,923	43,923	43,923	43,923	43,923	43,923	43,923	44,362	44,362	44,362	44,362	44,362	529,272
Fuel & Lubricant	219,615	219,615	219,615	219,615	219,615	219,615	219,615	221,811	221,811	221,811	221,811	221,811	2,646,361
Water & Electricity	133,672	133,672	133,672	133,672	133,672	133,672	133,672	135,009	135,009	135,009	135,009	135,009	1,610,752
Audit fees	87,846	87,846	87,846	87,846	87,846	87,846	87,846	88,724	88,724	88,724	88,724	88,724	1,058,544
Travelling	21,962	21,962	21,962	21,962	21,962	21,962	21,962	22,181	22,181	22,181	22,181	22,181	264,636
Bank Charges & Commission	11,713	11,713	11,713	11,713	11,713	11,713	11,713	11,830	11,830	11,830	11,830	11,830	141,139
<b>Total Out Flows</b>	<b>397,682,690</b>	<b>1,682,690</b>	<b>1,682,690</b>	<b>397,682,690</b>	<b>1,682,690</b>	<b>1,682,690</b>	<b>397,682,690</b>	<b>1,699,184</b>	<b>1,699,184</b>	<b>397,699,184</b>	<b>1,699,184</b>	<b>1,699,184</b>	<b>1,604,274,752</b>
Taxation	500,000	0		500,000				500,000		500,000			2,000,000
Opening Balance	964,355,629	697,502,709	827,149,789	956,796,869	689,943,949	819,591,029	949,238,109	682,385,188	779,183,332	875,981,475	576,279,618	673,077,761	964,355,629
Movement during the period	(266,852,920)	129,647,080	129,647,080	(266,852,920)	129,647,080	129,647,080	(266,852,920)	96,798,143	96,798,143	(299,701,857)	96,798,143	96,798,143	(194,479,725)
Closing balance	697,502,709	827,149,789	956,796,869	689,943,949	819,591,029	949,238,109	682,385,188	779,183,332	875,981,475	576,279,618	673,077,761	769,875,905	769,875,905

**THE COMPANIES ACT, 2002**  
**COMPANY LIMITED BY SHARES**

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Memorandum

and

Articles of Association

of  
**HAI NA BAI CHUAN**  
**CONSTRUCTION COMPANY LIMITED**

\*\*\*\*\*

Incorporated this      day of      , 2010

\*\*\*\*\*

Drawn by :  
PANG XINYING  
(Subscriber)  
P O Box 32915  
Dar es Salaam  
Tanzania

**THE UNITED REPUBLIC OF TANZANIA**

**CERTIFICATE OF INCORPORATION**

**NO.**

**I HEREBY CERTIFY that**

**HAI NA BAI CHUAN  
CONSTRUCTION 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 .....day of .....  
Two thousand and .....

Asst. Registrar of Company

*Handwritten:* 092/18/81/250  
658  
2002/18/81/250  
2002/18/81/250

*Handwritten:* 092/18/81/250  
658  
2002/18/81/250

**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**  
**MEMORANDUM OF ASSOCIATION**  
**OF**  
**HAI NA BAI CHUAN**  
**CONSTRUCTION COMPANY LIMITED**

1. The name of the company is "HAI NA BAI CHUAN CONSTRUCTION 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 acquire, take over, promote, establish, engage in and carry the business of marketing, importing and exporting, and to be wholesaler and retailer of all kinds of building materials, machineries and to carry on any business activities in connection with such activities.
  - b) To engage in and run the business of manufacturing and assembling and installation of all types of machinery, tools, gadgets, steel structures, pressure containers/utensiless, media pipes and engage in carpentry manufacturing.
  - c) To engage in the business of all rypes of construction, general civil works, buildings, electrical and mechanical works, plumbing, engineering services, road and bridge constructions, port construction, water conservancy, mining works, tower construction and erection, renovations, interior designing, decoration and advertisement production and any activities in connection with the above mentioned business.
  - d) To engage in the business of office petitioners, decoratories, maintainers of dilapidated buildings, furniture manufacturers, suppliers and exporters, residential and office furnishers and to be general designers and fabricators of all kinds of gadgets whatsoever.
  - e) To carry on the business of mechanical engineering, electrical engineering, electronic telecommunication engineering, to design, manufacture, assemble, service, repair any electrical and electric apparatus, component or system, to act as manufactures representatives, commission agents, merchants or brokers and to impoert5 , export, hire, sell, purchase or other wise dealing in all kinds of mechanical, electrical and electronic systems.
  - f) To carry on the business of electrical contractors, electrical engineers , electronic engineers, electrical connection and deal in all kinds of electrical goods such as switches, sockets, connection units, connector boxes., mounting units, terminal unit lamp holders and all kinds of electrical goods required for the purpose of installing electrical connection..
  - g) To carry on the business of carpeting, interior designers, contractors, and decorators, curtain and sofa set makers, woodwork and furniture dealers and makers, woodwork and furniture repairs and deals in household, hotel, hospitals, public residentially and office, camping and gardening furniture, fixtures,

and fittings and furniture requisites, utensils and trimmings, vehicles, carriages, boat, ship, aircraft and rocket furniture and woodwork in the United Republic of Tanzania.

- h) To carry on the business as exporters, importers, suppliers, distributors, buyers, sellers, general merchants, worldwide traders, wholesalers, retailers, dealers in motor vehicles, motorbikes and motor vehicle spare parts and accessories, of every kind.
- i) To render maintenance and service of all motorbikes and vehicle spare parts and accessories of all types and provide repair services.
- j) To carry on the business of household, domestic appliance and electrical goods, audio visual goods, electronic items, building material, hardwares, foodstuff, agricultural products and merchandise of every nature, kind and description whatsoever as a dealer, wholesaler, retailer, distributor, importer, exporter and after sales service and repairing.
- k) To carry on the business of dealing in marketing, importing, exporting, stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents and manufacturers, representatives in all fields. To establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export all merchandise and articles of all description.
- l) To carry on the business of general traders, merchants, wholesalers and retailers, exporters and importers, commissioning agents and manufacturers representatives and to buy, sell, hire, manufacture, barter, trade and deal in property, goods, produce articles and agency, commission, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business, to do the agricultural chemicals, equipments, and produce, to buy sell, import, export manufacture, process, pack, can, supply or otherwise deal in food and food products, flowers, confectionery, cosmetics, perfumeries, toiletries and detergents of all kinds, tobacco, medicines and drugs, beverages and to carry on the business of importing and dealing in garments of all kinds, textiles, piece goods, hosiery, knotting and weaving materials for the manufacture of above products.
- m) 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.
- n) To carry on the business as general traders, importers, exporters, suppliers, merchants, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, foodstuffs, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, slippers, sandals, bags and other similar goods.
- o) To carry on the business of general merchants, general store-keepers, universal providers, importers, exporters, and wholesale and/or retail traders of or otherwise dealers of and in piecewood, paints, hardware, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements and other articles and commodities of personal and household use and consumption provisions, textiles, groceries, medicines, drugs, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motorbikes and motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds

- p) To carry on the business as general suppliers of all sorts and types of goods 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.
- q) To engage and or otherwise carry on business of importing, exporting and distribution of all types of merchandise and to open shops for wholesale or retail of all types of goods.
- r) To carry on the business as consultants, commission agents, court brokers, debt collectors, revenue collector, public auctioneers, insurance agents, general brokers, importers, exporters, manufacturers representatives, land and estate agents, technical advisors, clearing and forwarding agents, and all businesses and trades incidental or similar thereto or required to be or capable of being carried on in conjunction therewith.
- s) To carry on the business of transportation, cargo and travel agents, commission agents, customs agents, insurance agents, tourist agents, manufacturers representatives, clearing and forwarding agents, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time determined by the Company.
- t) 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.
- u) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.
- v) To manufacture all kinds and varieties of mechanical appliances, instruments and machines and any and all processes and products essential thereto.
- w) To carry on the business of importers, exporters, buying selling, dealers in hardware, building materials, sanitary-ware, wall papers, roofing tiles, flooring tiles, supplying industrial equipment's agricultural implements and equipment's spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electric plating, making steel windows, doors, frames and roof tresses.
- x) To carry on the business of mining of all types of minerals and gemstones including diamonds in all parts of the United Republic of Tanzania.
- y) 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.

- z) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate travelling to organise hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- aa) To appropriate any part or parts of the property of the company for the purpose of and to build or let shops, offices and other places of business and to use or lease any part of the property of the company not required for the purposes aforesaid for any purpose for which it maybe conveniently used or let.
- ab) To provide or procure the provision by others of every and any service need want or requirement of any business nature required by any persons, firm or company in connection with any business carried on by them.
- ac) To carry on any other trade, business or activity whatsoever and to do anything of any nature which can, in the opinion of the Directors of the Company, be advantageously or conveniently carried on by the Company in connection with, as ancillary to or independently of any of its businesses.
- ad) To improve, manage, develop, turn to account, grant rights or privileges in respect of or otherwise deal with any of the property, rights and privileges of the Company.
- ae) To subscribe for, purchase or otherwise acquire and hold shares, stocks, debentures and other securities of any other company and to invest and deal with the monies of the Company in any manner.
- af) To vast any moveable or immovable property, right, privilege or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company.
- ag) To procure the Company to be registered or recognised in any place outside the United Republic of Tanzania.
- ah) To conduct any business that will deem to be beneficial to the Company.
- ai) To do all such other things as are or may be deemed incidental or conducive to the attainment of any of the objects and the exercise of any of the powers of the Company.

And it is hereby declared that:-

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

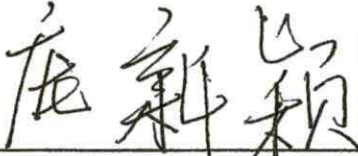
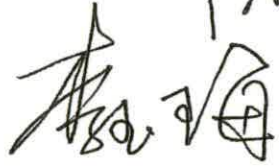
The object specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no wise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the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

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 500,000,000/= (Five hundred million Tanzanian shillings) divided into 500,000 (Five hundred thousand) shares of Shillings 1,000/= (one thousand) each.

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

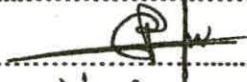
We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses, and Description of Subscribers.	Number of shares Taken by Each Subscriber	Signature
<b>PANG XINYING</b> No.98,Daguna Road, Hexi District, Tianjin, P. R. China	475,000	
<b>LI YUMEI</b> No.21,Qingbin Street, Chapyang District, Changchun City, Jilin Province,P. R. China	25,000	

Dated at.....Dar es Salaam .....March 16<sup>th</sup>, 2010.....

*Witness* to the above signatures

Name : ..... P. G. Chuma .....

Signature : .....  .....

Postal Address : ..... 15865 Dar es Salaam .....

Qualification : ..... Advocate .....



Handwritten signature and date: 25/08/2010, 6058, and another signature.

Handwritten signature and date: 25/08/2010, 6058, and another signature.

**THE COMPANIES ACT 2002**  
**COMPANY LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**OF**  
**HAI NA BAI CHUAN**  
**CONSTRUCTION COMPANY LIMITED**

**TABLE A EXCLUDE**

1. The regulations in Table A in the First Schedule to the Company Act 2002 shall not apply to the Company, except so far as the same are repeated or contained in these Articles.

**INTERPRETATION**

In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:

**WORDS AND MEANINGS**

**"Articles"**: these Articles of Association as originally framed or as altered from time to time by Special Resolution;

**"A Shareholder"**: any holder from time to time of the Shares;

**"The Directors"**: the directors for the time being of the Company present at a duly convened meeting of the directors at which a quorum is present;

**"The Office"**: the registered office for the time being of the Company;

**"The Act"**: the Companies Act 2002 and every statutory modification and re-enactment thereof for the time being in force;

2. The Company is a Private Company and accordingly; no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the Company, nor shall the Company allot or agree to allot (whether for cash or otherwise) any shares in or debentures of the Company with a view to all or any of those shares or debentures being offered for sale to the public.

The Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares in the Company : provided that such commission shall not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent to such percentage; and the requirements of the Act shall be observed.

3. a. The Directors may subject to Article 48 hereof allot, grant options over, or otherwise deal with or dispose of any relevant securities of the Company in accordance with the provisions

of these Articles and the Act to such persons and generally on such terms and conditions as the Directors think proper.

- b. The general authority conferred by paragraph (a) of this article shall be conditional upon due compliance with Article 48 hereof and shall extend to the amount of the authorized share capital of the Company upon its incorporation.
  - c. The Directors shall be entitled under the general authority conferred by paragraph (a) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the Company to be allotted after the expiry of such authority.
4. If two or more persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such share.
  5. No person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or required to recognize and equitable, contingent, future or partial interest in any share or any right whatsoever in respect of any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provide or as required by law.

#### **CAPITAL**

6. The capital of the Company is 500,000,000/= (Five hundred million Tanzanian shillings) divided into 500,000 (Five hundred thousand) shares of Shillings 1,000/= (one thousand) each.

#### **SHARES**

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the capital of the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine.
8. Subject to the provisions of Companies Act 2002, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable to be redeemed on such terms and in such manner as the Company before the issue of the shares may by Special Resolution determine.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issued of further shares ranking pari-passu therewith.
10. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of the three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate meeting the provisions of this articles relating to general meetings shall mutants apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy on-third of the issue shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
11. Every person whose name is entered as member in the register of members shall, without payment, be entitled to one certificate under the common seal of the Company specifying the share or shares

106. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.

107. The directors shall from time to time, in accordance with the Companies Act 2006 or any statutory modification thereof for the time being in force, cause to be prepared and to be laid before the

108. either a copy of the auditors report, shall not less than twenty one days be sent to every member of, and every holder of debentures of the Company and to every person registered under regulation 10

held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the Company shall be bound to issue more than one certificate, and delivery of certificate of a share to one of several jointly holders shall be sufficient delivery to all.

12. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any, not exceeding one hundred shillings, and on such terms, if any, as to evidence and indemnity as the directors think fit.

#### **LIEN**

13. The Company shall have a lien on every share for all moneys (whether present payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of this article. The Company's lien, if any on a share shall extend to all dividends payable thereon.
14. The Company may sell, in such manner as the directors thin fit, any shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled by reason of his death or bankruptcy to the share.
15. For giving effect to any such sale the directors may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be found to see to the application of the purchaser money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
16. The proceeds of sale shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the Company on behalf of the person entitled to the shares at the date of the sale.

#### **CALLS ON SHARES**

17. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares, and each member shall (subject to receiving at least fourteen days notice specifying the time or times of payment) pay to the Company at the time or times of specified the amount called in his shares. A call shall be deemed to have been made at the time when the resolution of the directors authorising the call was passed.
18. *The joint holders of a share shall be jointly and severally liable to pay all calls in respect hereof.*
19. If sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at bank rate prevailing from time to time from the day appointed for payment thereof to the time of actual payment, but the directors shall be at liberty waive payment of the interest wholly or in part.
20. The provisions of these articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of share, becomes payable

at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same has become payable by virtue of a call duly made and notified.

21. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of any Company in general meeting, the bank rate existing from time as may be agreed upon between the member paying the sum in advance and the directors).

### **TRANSFER AND TRANSMISSION**

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

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

25. The personal representatives of a deceased sole holder of share shall be the only persons recognised by the Company as having any title to the share. In the case of share registers in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased survivor, shall be the only persons recognised by the Company as having any title to the share.
26. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of share as the deceased or bankrupt person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
27. Except as hereinafter provided no share in the Company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
28. Every member or other person referred to in article 26 hereof who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the board of his intention. The notice

shall constitute the board his agent for the sale of the said shares in one or more lots at the discretion of the board to members of the Company at a price to be agreed upon by the vendor and the board, and in default of agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.

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

#### **FORFEITURE OF SHARES AND EXPROPRIATION OF SMALL HOLDINGS**

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

shall extend to any dividends in respect of any share so forfeited not actually paid at the date of the said notice.

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

#### **ALTERATION OF CAPITAL**

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

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

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

#### **GENERAL MEETINGS**

45. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the Company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and at such place as the directors shall appoint.
46. All general meeting other than the annual general meeting shall be called extraordinary general meetings.
47. The directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not within the united republic of Tanzania sufficient directors capable of acting to form a quorum, any director or any one member of the Company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

#### **PROCEEDINGS AT GENERAL MEETINGS**

48. An annual general meeting and a meeting called for the passing of special resolution shall be called by twenty-one days' notice in writing at the least, and all other meetings by fourteen days' notice in writing at least. Such notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day, and the hour of meeting and, in case of special business, the general nature of the business shall be given in the manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by Company in general meeting to such persons as are, under these articles, entitled to receive such notices from the Company; but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
49. The accidental omission to give notice to, or the non-receipt of notice of a meeting by, any member shall not invalidate the proceedings at any meetings.

50. All business shall be deemed special that is transacted at an extraordinary general meeting, and all that is transacted at an annual general meeting, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the ordinary report of the directors and auditors, the election of directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the directors.
51. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; same as herein otherwise provided two members personally present shall be a quorum.
52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
53. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the Company.
54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose some one of their number to be chairman.
55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member entitled to vote present in person or by proxy; and unless a poll is so demanded, a declaration by the chairman that the resolution has, on a show of hands, been carried, or carried unanimously, or by particular majority, or lost, and an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against the resolution.
57. If a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
59. A poll demanded on the election of a chairman, or in a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
60. Any ordinary resolution of the Company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the Company

holding three-fourths of the issued shares of the Company shall be as valid and effectual as an ordinary resolution duly passed at a general meeting of the Company duly convened and held.

### VOTES OF MEMBERS

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

.....Limited

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

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

Signature of Member

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

#### **DIRECTORS**

71. The first directors shall be not less than two in number and shall be appointed by the subscribers to the Memorandum of Association. Unless and until otherwise determined by the Company by ordinary resolution the number of directors shall not be less than two.
72. The names of the first directors of the Company are as follows:
1. PANG XINYING
  2. LI YUMEI
73. (1) The remuneration of the directors shall from time to time be determined by the Company in general meeting.
- (2) In addition to their usual remuneration the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of director.
74. Any director may in writing appoint any person, who is approved by the majority of the directors, to be his alternate to act in his place at any meeting of the directors to which he is unable to be present. Every such alternate shall be entitled to notice of meetings of the directors and to attend and vote there at as a director when the person appointing him is not personally present, and where he is a director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the Company and shall not be deemed to be the agent of the director appointing him. The remuneration of such alternate shall be payable out of the remuneration payable to the director appointing him, and the proportion thereof shall be agreed between them. An alternate director need not hold any share qualification.
75. A director and alternate director shall not require a share qualification but nevertheless shall be entitled to attend and speak at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.
76. The Company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. A vacancy occurring in the board of directors may be filled up by the Company by an ordinary resolution.

#### **POWERS AND DUTIES OF DIRECTORS**

77. The business of the Company shall be managed by the directors, who may pay all expenses incurred in forming and registering the Company, and may exercise all such powers of the Company as are not, by the Companies Act 2002 or any statutory modification thereof, for the time being in force, or by these articles, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of these articles and of the said Act, and the exercise of such powers shall be subject to control of any general meeting of the Company specially convened for the purpose, but no resolution of the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been passed.

78. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term and at such remuneration (whether by way of salary, or commission, or participation in profits, or partly in one way and partially in another) as they may think fit. The office of managing director shall be subject to determination ipso facto if he ceases from any cause to be a director, or if the Company in general meeting resolves that his tenure of the office of managing director or manager be determined.
79. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.
80. The directors shall duly comply with the provisions of the Companies Act 2002 or any statutory modification thereof for the time being in force, and particular with the provisions in regard to registration of the particulars of mortgages and charges affecting the property of the Company, or created by it, and to keeping a register of the directors and secretaries, and to sending to the Registrar of Companies an annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or conversion of shares into stock, and copies of special and extraordinary resolutions, and a copy of the register of directors and notification of any changes therein.
- 8.1 The directors shall cause minutes to be made in the books provided for the purpose:-
- (a) Of all appointments of officers made by the directors;
  - (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors;
  - (c) Of all resolutions and proceedings at all meetings of the Company, and of the directors, and of committees of directors and every director present at any meeting of directors of committee of directors shall sign his name in a book to be kept for that purpose.

### **DISQUALIFICATION OF DIRECTORS**

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

### **PROCEEDINGS OF DIRECTORS**

84. The directors may meet together for the dispatch of, adjourn and otherwise regulate their meetings, as they think fit, question arising at any meeting shall be decided by a majority of votes. In case of

any equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.

85. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.
86. The continuing directors may act notwithstanding any vacancy in the body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of directors, the continuing director may act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the Company, but for no other purpose.
87. The Directors may elect a chairman of their general meeting and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of their meeting.
88. The directors may delegate any of their powers to committees consisting of such members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegate conform to any regulation that may be imposed on them by the directors.
89. A committee may elect a chairman of their meeting; if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose any of their number to be chairman of the meeting.
90. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall determined by a majority of votes of the members present, and in the case if an equality of votes the chairman shall have a second or casting vote.
91. All acts done by any meeting of the directors or of a committee of directors, or any person acting as a director, shall, notwithstanding that it afterwards discovered that there was some effect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed to be a director.
92. A resolution determined on without any meeting of directors and evidenced by writing under the hands of all directors, or sole director, or of all members of a committee, or of sole member of a committee, shall be as valid and effectual as a resolution duly passed at meeting of the directors or of such committee.

#### **SECRETARY**

93. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit and any Secretary so appointed may removed by them.
94. No person shall be appointed or hold office as a Secretary who is:-
  - (a) a director of the Company; or
  - (b) a corporation a director of which is a director of the Company; or
  - (c) a director of a corporation which is a director of the Company
95. A provision of the Companies Act 2002 or these regulations requiring or authorising a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of the secretary.

## THE SEAL

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

## DIVIDENDS AND RESERVE

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

## ACCOUNTS

104. The directors shall cause proper books of accounts to be kept with respect to:-
- All sums of money received and expended by the Company, and the matters in respect of which the receipt and expenditure takes place.
- All sales and purchases of goods by the Company; and The Assets and liabilities of the Company. Proper books of account means such books as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.
105. The books of accounts shall be kept at the registered office of the Company, or at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.

106. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by statute or authorised by the directors or by the Company in general meeting.
107. The directors shall from time to time in accordance with the Companies Act 2002 or any statutory modification thereof for the time being in force, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as are referred to in those sections.
108. A copy of every balance sheet (including every document required by the law to be annexed thereto) which is to be laid before the Company in General meeting before the date of the meeting together either a copy of the auditors report, shall not less than twenty one days be sent to every member of, and every holder of debentures of, the Company and to every person registered under regulation 19. Provided that the regulation shall not require a copy of those documents to be sent to any member of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

### **CAPITALISATION OF PROFITS**

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

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

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

### **AUDIT**

111. Auditors shall be appointed and their duties regulated in accordance with the law for the time being governing the business of auditors, specifically of a company like this;
112. If a member has no registered address in Tanzania and has not supplied to the Company an address within The Republic of Tanzania for the giving of notices to him, a notice addressed to him, and displayed in the registered office of the company, shall be deemed to do duly given on the day on which it is so displayed.
113. The company shall have powers to make rules, circulars, and regulations etc. specifically for purposes of governing any matter or activity of the company.

#### NOTICES

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

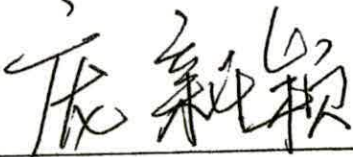

CAPITAL INCREASES THROUGH GENERAL MEETINGS

119. If the Company shall be wound up the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Companies Act 2002 divide (they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such decision shall

sanction, vest the whole or any part of the assets in trustees up on such trusts for the benefit of the contributors as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

**INDEMNITY**


120. Subject to the provisions of the Companies Act 2002 every director, managing director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted.

Names, Addresses, and Description of Subscribers.	Number of shares Taken by Each Subscriber	Signature
<b>PANG XINYING</b> No.98,Daguna Road, Hexi District, Tianjin, P. R. China	475,000	
<b>LI YUMEI</b> No.21,Qingbin Street, Chapyang District, Changchun City, Jilin Province,P. R. China	25,000	

Dated at .....Dar es Salaam .....March 16<sup>th</sup>, 2010.....

*Witness to the above signatures*

Name : ..... P. G. Chirwa .....

Signature : .....  .....

Postal Address : ..... 15865 D'salaam .....

Qualification : ..... Advocate .....





# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

**(Please fill the form in duplicate)**

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/we PANG XINYING  
(director/directors/agent of HAI NA BAI CHUAN CONSTRUCTION COMPANY LIMITED  
(name of business enterprise) apply for registration of .....

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 31, BLOCK 23, KIBADA-TEMEKE  
.....

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 31, BLOCK 23, KIBADA-TEMEKE

4. The Principal Officers of the Company are PANG XINYING / LI YUMEI  
.....  
.....

5. Auditors of the Company are TO BE APPOINTED LATER  
.....  
.....

6. The authorized share capital of the Company is Tshs./US\$ 500,000,000 TSH  
.....  
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,253,240,000
8. The month and day of the financial year end is .....

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, PANG XIN YING of Post Office Number 32915

D.S.M. do solemnly and sincerely declare that I am a director/~~and~~ authorized agent of HAI XIA BAI CHUAN CONSTRUCTION COMPANY LIMITED

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

Declared at Dar es Salaam }  
 ..... }  
 The 1st day of July 2011 }

潘新英 Applicant

Before me:

[Signature]  
 Commissioner for Oaths

**DESIDERI SEBASTIAN NGALO**  
 ADVOCATE, NOTARY PUBLIC & COMMISSIONER FOR OATHS  
 P.O. Box 72349  
 DAR ES SALAAM  
 TANZANIA

APPLICATION SUMMARY

Company Name: HAI NA BAI CHUAN CONSTRUCTION CO. LD

Certificate of Incorporation Number: 75487

Status: NEW

Certificate of Incorporation Date: 18/1/03

2010

Post Box: 32915

Town: DAR-ES-SALAAM

Sector: ~~CONSTRUCTION~~ (Gonglinmei) 22/7/2011

Sub-Sector: ~~CONSTRUCTION~~ (Gonglinmei) 22/7/2011

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

FURNITURE

Foreign Equity

Local Equity

Foreign Loan

Local Loan

1,002,593,000

250,648,000

Project Objectives: Construction and manufacturing of timber accessories.

Capacity: 36 tons/annum

Employment: Foreign: 5 Local: 8 Total: 11

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 31 Block 23

Street: KIBADA District: TEMBEKE Region: D'SALUUM (Attach sketch map showing project location)

Shareholders	Nationality	%
PANG XINYINZ-	CHINESE	95
LI YUMEI	CHINESE	5
.....	.....	.....
.....	.....	.....
.....	.....	.....

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

Land/Building	.....
Plant	..... 955,976,000
Vehicles	..... 102,425,000
Furniture & Fittings	..... 70,000,000
Pre-expenses	..... 54,081,000
Others	.....
Working Capital	..... 70,758,000
<b>TOTAL</b>	..... <b>1,253,240,000</b>

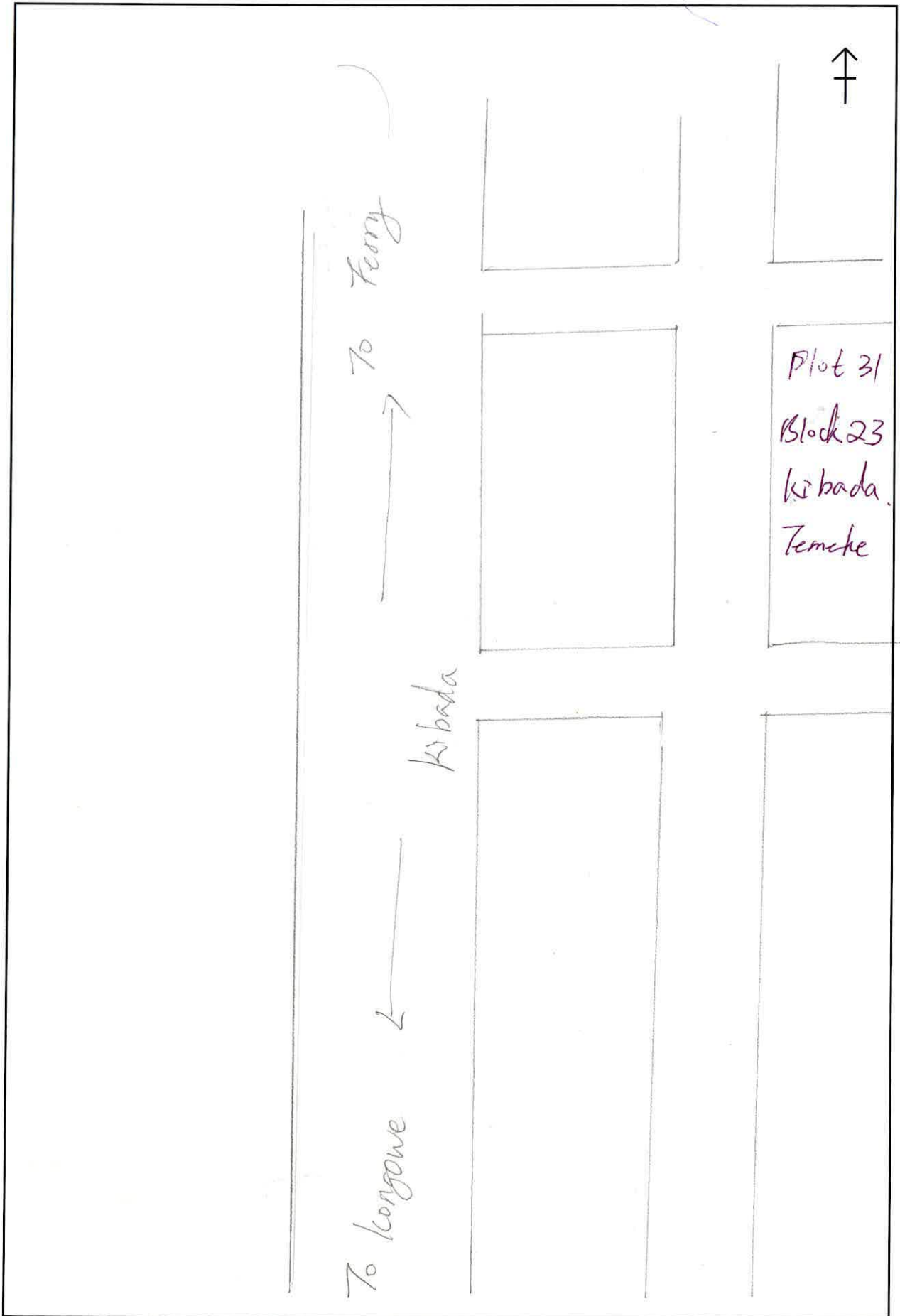
**Contact Details:**

Name: Bai Lingbo ..... Title: Manager .....  
Telephone: 0754-320888 ..... Fax: .....  
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





# **HAI NA BAI CHUAN CONSTRUCTION CO LTD**

---

P O Box 32915      Dar es Salaam      Tanzania

Tanzania Investment Centre  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**

Jan 14<sup>th</sup> 2011

## **Re: Closing the file of Previous Application**

Dear Sir,

This is to inform you that we applied a different project on the same site fr which we sent application before.

With this letter we request your office only consider the current application of tourist hotel in the tourism sector and please close the file of the previous application of furniture making in the manufacturing sector.



Pang Xinying

Director



042077

# HAI NA BAI CHUAN CONSTRUCTION CO LTD

P O Box 32915

Dar es Salaam

Tanzania

## Executive Director

Tanzania Investment Centre  
9A & B Shaaban Robert Street  
P. O. Box 938  
DAR ES SALAAM



DUF

Oct 6th 2011

5

## Re: Project Registration

Dear Sir,

In response to your letter concerning our project registration requirement, this is to clarify to you as follows;

The Kibada site for the project will be mainly used for keeping material stock and will have our own office block and a small portion of residence for the director.

Most of the carpentry work will be done on the construction site as it is easier and more convenient to ensure the correct measurement to suit the requirement, and it is more practical to check against the construction site instead of going back to the material base and coming back to the construction site again. E.g, in case the doors or window frames do not fit properly, it is always easy to make the correction on the site instead of bringing the frames back to the material site, or easier than coming to the site to check the measurement and going back to the material site to make craftsmanship work correction.

The project machines will be used mainly on the construction site, as most of the work will be done on the construction site.

As it is explain above, there will be almost no noise to the neighbors, and no environment impact will be there because of the project.

In order to get things moving and proceed with other formalities, ig, residence permits for the technical staff, we hope our project will be considered positively.

Sincerely yours

Pang Xinying

A handwritten signature in blue ink, appearing to be "PX" or similar initials.

Director





4

## TIC Evaluation Report

Name of the Company

**Hai Na Bai Chuan Construction Company Ltd**

Post Box	Kibada	COI Number	75487	Contact	Bai Lingbo
Post Office	32915	COI Date	18/03/2010	Designation	Manager
Region	Dar Es Salaam	Application F. No	09317	Phone	
Country	Tanzania	Status		Direct Phone	
		Sector	Manufacturing	Cell Phone	0754 320888
		Sub Sector	Furniture	Fax	
		File No	042077	E-Mail Address	

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 31 Block 23	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>1</td> <td>0</td> <td>0.251</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1	0	0.251	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
1	0		0.251	0								
Street	Kibada											
District	Temeke											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Li Yumei	Chinese	5	Plant	0.955
Pang Xinying	Chinese	95	Vehicles	0.102
			Furniture & Fittings	0.07
			Pre-expenses	0.054
			Others	0
			Working Capital	0.07
			Total	1.251

Employment	8	Evaluated By	wf officer4
Capacity	36tons/annum	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

### Description

To establish a furniture manufacturing facilities

### Recommendations

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

### Decision

Approved Subject to location to be cleared by UEMC.

*[Signature]*  
Ag EXD  
20/09/11

**TO : DIF**  
**FROM : SIFO/TRA – LO**  
**DATE : 9TH SEPTEMBER,2011**

**REF: PROJECT VISIT FOR HAI NA BAI CHUAN CONSTURCTION CO. LTD**

Hai na Bai Chuan Construction Co. Ltd is the Limited Liability Company Incorporated Under the Company Act of 2002 and holding Certificate of Incorporation No. 75497 of 18<sup>th</sup> March 2010.

The company made application to TIC to register it's project, investing in Timber and manufacturing of various furniture. The application was received by TIC on 27<sup>th</sup> July, 2011.

The project was forwarded to Ag. EXD for approval purposes on 28<sup>th</sup> July, 2011. On 29<sup>th</sup> July, 2011 the Ag. EXD raised a query on application of this project asking clarification on what does the Timber Manufacturing facilities mean? He also instructed to undertake PVV to this project, this implies that the approval of this project is subject to the submission of the PVV Report.

On 4<sup>th</sup> August, 2011 Ag. DIF instructed Dotto/Adam to get clarification as per F2 also to conduct PVV for site verification.

## PROJECTS STATUS

On 12/8/2011 we visited the sited which has been earmarked by the company as Ideal place for locating the project of this type :On the project site we noted the following:

- The Plot is surveyed with bicon number SBI 777 and SBI 788 **see attachment.**
- The site is absolutely underdeveloped, no any infrastructure/Bulding erected there on. The site is full of bushes
- The Plot is within the Residential Area at Kibada close to Gymana Secondary School.
- The company office is located at Plot No. 448 Mikocheni Area as per attached lease between Auckland Tours and safaris Ltd and Pang Xinyung who is the Director of Hai na Bai Chuan Construction Co. Ltd. **See attachment**

## CONCLUSION AND RECOMMENDATION

The project has not started . We recommend that, the registration of this project can be considered with caution of instructing the investor that, the location of project has to change it status from Residential to Industrial/ Commercial use status.

We submit

Name Dotto Stanley Signature  Date 12/9/2011

Name Adam ding'wento Signature  Date 12/9/2011

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

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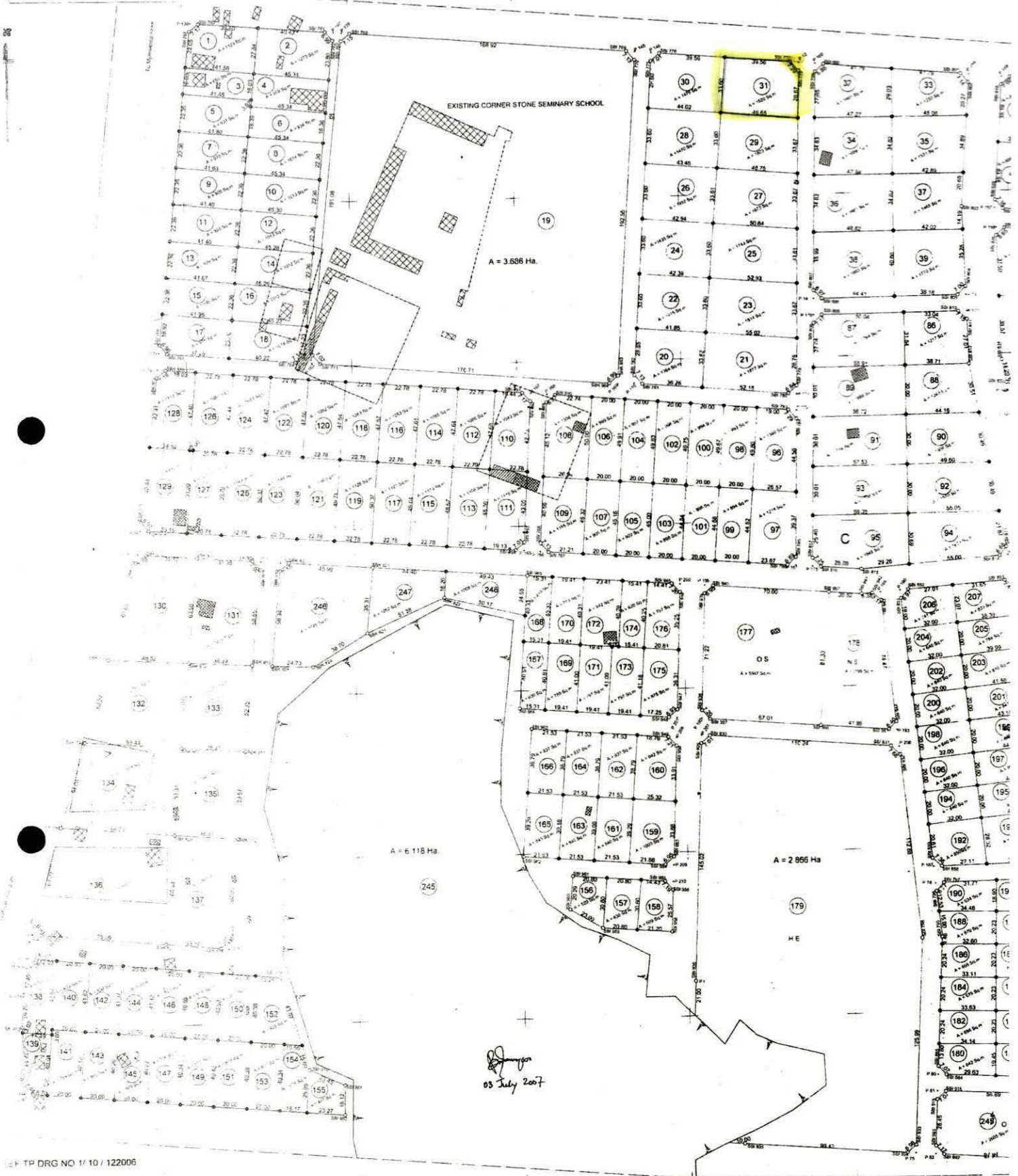
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L.O. No. 337 740

SURVEY OF PLOTS NO 1 - 248 BLOCK "23" KIBADA  
TEMEKE MUNICIPALITY - DAR ES SALAAM CITY



REF TP DRG NO 1/10/122006

COMPS NO E'304<sup>c</sup>  
SPL SHEET NO 186/1P  
MP NO 186/1P/30

PLAN NO E'304/57

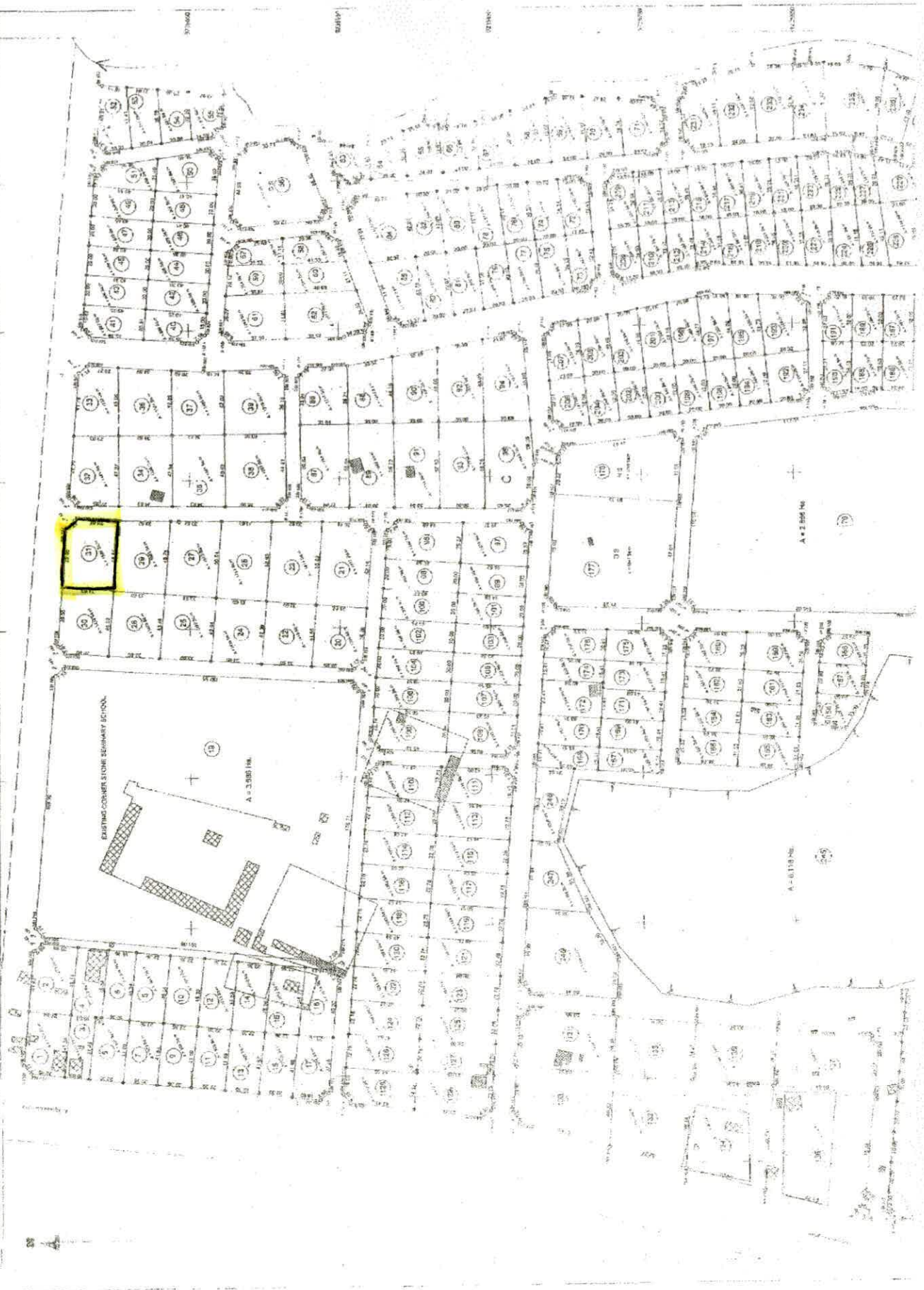
Amendments by-  
(1) \_\_\_\_\_  
(2) \_\_\_\_\_  
(3) \_\_\_\_\_

Photostat copies sent to-  
(1) \_\_\_\_\_  
(2) \_\_\_\_\_

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

SURVEY OF PLOTS NO 1 - 248 BLOCK 23 KIBADA  
TEMEKE MUNICIPALITY - DAR ES SALAAM CITY

L.O. No. 337 740



# LEASE AGREEMENT

THIS LEASE AGREEMENT is made this .....9TH..... Day of  
...November.....2010

BETWEEN

AUCLAND TOURS and SAFARIS LTD of Box 5674 Dar es salaam(hereinafter referred to as "THE LESSOR" which expression where the Context so admits include its successors and assigns in title") of the other part.

AND

**PANG XINYING P O BOX 32915 DAR ES SALAAM TANZANIA** hereinafter referred to as "THE LESSEE" which expression shall where the context so admits include its successors and assigns in title") of the other party.

WHEREAS the Vendor is the lawful owner of the house situated on Plot no. 448 Mikocheni area, Kinondoni Municipality in the City of Dar es salaam (hereinafter referred to as "THE PROPERTY")

AND WHEREAS the LESSOR is desirous of leasing the said Premises and the LESSEE has agreed to lease the same subject to the terms and conditions herein after stipulated.

NOW THEREFORE THIS AGREEMENT WITNESS as follows:-

1. The LESSOR doth HEREBY DEMISE unto the lessee the "Demised Premises" to hold the same unto the Lessee for a period of one year with effect from .....9TH.....NOVEMBER...2010 .....up to .....10TH.....NOVEMBER.....2011 ..... and to be renewed every year.
2. (a) The rent shall be USD \$ 2,200 only month payable as follows;
  - (i) On the date of signing hereof, the lessee shall pay the sum of USD \$26,400.00 being rental charge for one year

**THE LESSEE COVENANTS** with the **LESSOR** as follows:

- (a) To pay for water, electricity charges and other outgoing payable in connection with the demised premises consumed by the **LESSEE**..
- (b) Not to assign, sublet or part with possession of the demised premises or any part thereof the written consent of the **LESSOR**,
- (c) To the demised premises for residential purposes only

3. **AND THE LESSOR HEREBY COVENANTS** with the **LESSEE** as follows:-

(a) The **LESSEE** observing the afore going covenants hereinbefore reserved, performing and observing the several covenants and stipulations herein contained on his part shall peacefully hold and enjoy the demised premises during the tenure hereby created without unlawful intervention by the **LESSOR** or any person rightfully claiming right under him.

(b) To pay discharge all land rents, property tax service charges up to date

4. This Lease Agreement may be terminated or renewed be either party giving three month's notice prior to its conclusion.

IN WITNESS HEREOF the LESSOR and LESSEE have respectively hereto executed this deed the day and year first above written.

SIGNED and DELIVERED by the said  
MARIJAN A. MSOFFE of AUCLAND TOURS &  
SAFARIS LTD who is known

To me personally/ identified to me by

To.....

The latter being known in my presence

This 24<sup>th</sup> day of March 2011

Signature: 

Postal Address: 9250 Dsm

Qualification: ADVOCATE

SIGNED and DELIVERED by the said  
PANG XIANYING P O BOX 32915  
DAR ES SALAAM TANZANIA

Who is known to me personally/  
identified to me by.....

The latter being known in my presence  
this 24<sup>th</sup> day of March 2011

Signature: 

Postal Address: 9250 Dsm

Qualification: ADVOCATE

  
LESSOR



  
LESSEE



2



# TIC Evaluation Report

Name of the Company  
**Hai Na Bai Chuan Construction Company Ltd**

Post Box	Kibada	COI Number	75487	Contact	Bai Lingbo
Post Office	32915	COI Date	18/03/2010	Designation	Manager
Region	Dar Es Salaam	Application F. No	09317	Phone	
Country	Tanzania	Status	New	Direct Phone	
		Sector	Manufacturing	Cell Phone	0754 320888
		Sub Sector	Furniture	Fax	
		File No	042077	E-Mail Address	

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 31 Block 23	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>1</td> <td>0</td> <td>0.251</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1	0	0.251	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
1	0		0.251	0									
Plot	Kibada												
District	Temeke												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0
Li Yumei	Chinese	5	Plant	0.955
Pang Xinying	Chinese	95	Vehicles	0.102
			Furniture & Fittings	0.07
			Pre-expenses	0.054
			Others	0
			Working Capital	0.07
			Total	1.251

Employment	8	Evaluated By	wf officer4
Capacity	36tons/annum	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

Description  
To establish timber manufacturing facilities ?

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

Decision

*Brief:*  
 What does Timber Manufacturing facilities means?  
 Conduct PVU.

*Ag EXD 29/07/11*

# HAI NA BAI CHUAN CONSTRUCTION CO LTD

P O Box 32915 Dar es Salaam Tanzania

Tanzania Investment Centre  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**

June 16th 2011

## TIC Application

A board meeting was held on April 6<sup>th</sup>, 2011 with presence of the board members concerning the proposed project of providing furniture making services.

Please find attached the following documents for the purpose of applying for Tanzania Investment Incentive Certificate.

TIC Application Letter  
TIC application form duely filled  
Memorandum of the company  
Certificate of Incorporation  
TIN  
Bank reference letter  
Board resolution  
Certified copy of lease agreement  
Certified Title Deed of the Business Premise  
Furniture Making Business Plan  
Application Fee Payment Receipt Copy



We hope these will meet the requirement and will be considered positively .

Sincerely yours

Pang Xinying

Director

潘新英



# **HAI NA BAI CHUAN CONSTRUCTION CO LTD**

P O Box 32915 Dar es Salaam Tanzania

Tanzania Investment Centre  
9A & B Shaaban Robert Street  
P. O. Box 938  
**DAR ES SALAAM**

June 16th 2011

## **Board Resolution**

A board meeting was held on April 6<sup>th</sup>, 2011 with presence of the board members concerning the proposed project of providing furniture making(wooden windows, doors, fittings, aluminium furnitures, etc) services.

It was agreed unanimously that we should go ahead with this project which is beneficial to for local employment.

The meeting was minuted by the secretary and the appointed person will do the follow up of the project registration with TIC.

The meeting also agreed that the appointed persons will monitor the progress of the project according to the plan.

Sincerely yours

Pang Xinying

Director

Li Yumei  
Director:

Cheng Meng  
Secretary:

**THE (AND ACT, 1999)**  
**THE REGISTRATION OF DOCUMENTS  
ORDINANCE**

**LEASE AGREEMENT**

**Between**

**IDRISA KASSIM MWAISAKA OF  
P.O. BOX 2674, DAR ES SALAAM**

**And**

**HAI NA BAI CHUAN CONSTRUCTION  
COMPANY LIMITED OF  
DA ES SALAAM, TANZANIA.**

**DRAWN BY:**

The Parties,  
DAR ES SALAAM

**THIS AGREEMENT OF LEASE** made and entered into this .....DAY OF..... **2011** between **IDRISA KASSIM MWAISAKA** of post office box number 2674, Dar es Salaam,(hereinafter referred to as the 'LESSOR' which expression shall where the context so admits include his heir, executor, administrators and legal personal representative) of one part

**AND**

**HAI NA BAI CHUAN CONSTRUCTION COMPANY LIMITED** of P.O.BOX 32915, Dar es Salaam (hereinafter referred to as the 'LESSEE' which expression shall where the context so admits include his, executor, administrators and legal personal representative)

**WHEREAS: -**

- A. The **Lessor** is the registered owner of the plot situated on Plot No. 31, Block '23' Kibada, **in Temeke District** within the municipality of Temeke and is desirous of letting that space with Title Number 112027 to the Lessee (hereinafter referred to as the ("**Demised Premises**") under the terms and conditions hereinafter appearing.
- B. The **Lessee** is desirous of taking up a lease, of the premise on Plot Plot No. 31, Block '23' Kibada, **in Temeke District** under the terms and conditions hereafter appearing.

**1. NOW THIS AGREEMENT WITNESSETH** as follows:-

- A. **IN THE CONSIDERATION** of the rent and the Lessee covenant hereinafter contained **THE LESSOR HEREBY DEMISE** unto the **Lessee** the said area of the premise made thereon onto the Lessee for a term of ten years (10) commencing on the **01st Day of July 2011 and ending Midnight 30th day of June 2021** at a rate of USD 200 (United States Two Hundred Only), net of VAT and withholding taxes **per month** payable in yearly in advance.
- B. The parties agree that since the rent is payable in USD and one year in advance, the annual rent increase shall not exceed 5% (five percent) per annum over the life of the tenancy agreement.

**2. THE TENANT HEREBY COVENANTS WITH THE LANDLORD** as follows:-

- a. Throughout the terms of this lease the Lessee shall pay all electricity and water charges levied of the said premises. The related accounts shall be registered in the name of Lessor except where the Lessor agrees in writing that local circumstances make it unavoidable in which case the parties shall agree on a mutually agreeable method of assessing the Lessee for these charges. Upon vacating the premises the final readings and documentation shall be delivered to both parties.
- b. The Lessee shall permit the Lessor or any person or persons authorized by the Lessor, to enter upon the said premises at all reasonable times with prior notice to the Lessee during the tenancy to take an inventory of the said fixtures, and to view the state and condition of the said fixtures, and to view the state and condition of the said premises and of the said fixtures.

- c. At the option of the Lessor, all improvements made by the Lessee to the dwelling shall, when made, at once be deemed to be attached to the leased premises and become a part thereof, and at the end of the expiration of the term, shall be surrendered to the lessor in as good order and condition as they were when installed, reasonable wear expected.
- d. The Lessee accepts the premises in their present condition. The Lessor shall not be liable for injury, loss or damage to the person or property of the Lessee caused by steam, gas, electricity, water or rain which may leak or flow from any part of the premises or from the pipes, appliances or plumbing works of the same or any other place, or by failing plaster or by defects in the premises or any improvements, alterations or repair new or hereafter made thereto, or by any act or thing here before hereafter done or omitted by the Landlord. The Lessee shall give the Lessor prompt written notice of any accident to or defects in water pipes or to other equipment or appliances in the premise.
- e. There shall not be any diminution or abatement of rent because of the making of repairs or improvements if any be made, to the premises after the date above fixed for the commencement of the term. No diminution or abatement of rent, or other compensation, shall be claimed or allowed for loss, inconvenience or discomfort arising from the making of repairs or improvement to the building or to its appliances, except that if extensive repairs must be carried out which are found to cause excessive inconvenience or discomfort for the tenant, the Lessor will consider on its merits any claim for rental rebate if the premises become wholly or partly usable during these repairs.
- f. The Lessee shall not make any alteration in the premises or any part of the building or suffer the same to be done, in or upon premises or any part thereof any act or thing which may be a nuisance, damage, inconvenience or annoyance to the Lessor, will not do any thing upon the premises which will increase the rate of fire insurance upon said building where such insurance has been taken in compliance with rules, procedure or agreement in force.
- g. The Lessee shall take good care of the premises, fixtures and appurtenances comply with all laws and governmental regulations applicable to the premises and to quit and surrender the premises with all the said fixtures and appurtenances in as good order and condition as they were at the beginning of the term. Reasonable and ordinary wear and tear and damage accepted
- h. The Lessee shall not assign, or sublet the premises or any part thereof, without the written consent of the Lessor which shall not be unreasonably withheld or suffer the same to be used for any purpose other than as commercial dwelling apartment.
- i. The Lessee shall indemnify and save harmless the Lessor from and against any and all liability, arising from injury during said term to person or property, occasioned wholly or in part by any act or omission of the Lessee or of the guests, servants.

- j. Should the Lessee breach any of the covenants he has undertaken under this lease, the Lessee shall first have to cure the breach and thereafter the Lessor shall have the right to rent the premises and evict the Lessee and repossess the premises and in this event, without prejudice to any other actions by the Lessee the Lessor may at its option terminate this lease without further action.
- k. If the Lessor is not or able to give possession of the premises to the lessee at the date above prescribed for the commencement of the term, then the date of the commencement of the term shall be postponed until the landlord is ready and able to give the possession and rent shall not run in the meantime but shall be apportioned as of the date that the lessor notifies the Lessee in writing that the premises will be ready for the occupancy. The Landlord notifies the Lessee in writing that the premise will be ready for the occupancy. The landlord assumes no responsibility to the Lessee for the delay in giving the possession due to failure or present occupant of premises to vacate at termination of lease except that the tenant will be credited upon the rent next to accrue with an allowance equal to the daily pro rate amount of the rent multiplied by the actual number of days which possession is withheld and the lessee agrees the lease subject to such contingency and conditions.

**3. THE LESSOR HEREBY CONVENANTS WITH THE LESSEE as follows:-**

- a. If and so long as the Tenant pays the rent here in reserved and performs and observes all the conditions and stipulation herein contained, the Tenant may possess and enjoy the quiet enjoyment of the premises during the tenancy without any interruption by the landlord or any person claimed it except as aforesaid.
- b. Any dispute in connection with the present lease unless it is settled by direct negotiations shall be referred to the appropriate local judicial body or to binding arbitration for settlement.
- c. Nothing contained in this lease shall be deemed a waiver expressed or implied of any immunity from suit or legal process or for any privilege, exemption or other immunity enjoyed or which the lessee or her representative may enjoy.

**4. PROVIDED ALWAYS AND IT IS HEREBY AGREED that:-**

- a. If the rent hereby reserve of any part thereof shall be unpaid for 14 days or more after becoming payable (whether legally demanded or not) or if any covenants on the Lessee's part herein contained shall not be performed or observed then in any of the said cases it shall be lawful for the Lessor at any time thereafter to re-enter upon the said premises or any part thereof in the name of the whole and then this lease shall absolutely determine but without prejudice to any right of action of the Lessor in respect of any breach of the Lessee's covenant herein contained.
- b. The agreement is renewable by either party giving 3 months notice of their intention to renew with new negotiable terms.

c. Any notice under the Lease shall be in writing and any notice to the Lessee shall be sufficiently served if left addressed to the Lessee of the said premises or sent to him by registered post, and any notice to the Lessor shall be sufficiently served if sent to him by registered post.

**IN WITNESS WHEREOF** the parties hereto executed this agreement the day and year and in the manner hereinafter appearing.

**SIGNED and DELIVERED by the said )**  
**IDRISA KASSIM MWAISAKA who is known )**

to me personally/identified to me by )  
..... the latter being to me )  
personally this 1 day of July 2011 )

*[Handwritten signature]*

**LESSOR**

**SIGNATURE**

\_\_\_\_\_

**POSTAL ADDRESS**

\_\_\_\_\_

**QUALIFICATION**

\_\_\_\_\_

**SIGNED and DELIVERED by the said )**  
**RP HAI NA BAI CHUAN CONSTRUCTION COMPANY LIMITED**  
**Who is known )**

to me personally/identified to me by )  
..... the latter being to me )  
personally this 1 day of July 2011 )

**LESSEE**

**SIGNATURE**

\_\_\_\_\_

*[Handwritten signature]*

**POSTAL ADDRESS**

\_\_\_\_\_

**QUALIFICATION**

\_\_\_\_\_



**CERTIFIED TRUE COPY OF ORIGINAL PERUSED BY ME**

*[Handwritten signature]*

112027  
13/05/09  
1:00PM



Land Form No.22

Blank form with faint text and a signature.

*[Signature]*  
Registrar of Titles

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999

(NO. 4 OF 1999)

TANZANIA  
Stamp  
of 11/03/08  
100/= 31517470  
*[Signature]*

CERTIFICATE OF OCCUPANCY

(Under Section 29)

11301=  
31517470  
11/03/08  
*[Signature]*

Title No. 112027  
LO No. 337740  
LD No. 265308

The 5<sup>th</sup> day of May Two thousand and Nine

THIS IS TO CERTIFY that IDRISA KASSIM MWAISAKA, of P. O. Box 2674, DAR ES SALAAM, (hereinafter called "the Occupier") is entitled to the Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called "the Land") for a term of ninety nine (99) years from January 1, 2008 according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions: -

1. The Occupier having paid rent up to 30th June, 2008, shall thereafter pay rent of shillings [22,800.00/=] a year in advance on the first day of July in every year of the term without deduction PROVIDED that the rent may be revised by the Commissioner for Lands.
2. The Occupier shall: -
  - (i) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and Mapping.
  - (ii) Do everything necessary to preserve the environment and protect the soil and prevent soil erosion on the land and do all things, which may be required by the authorities responsible for environment and to achieve such objective.
  - (iii) Building to be in permanent materials.
  - (iv) Submit building plans to the TEMEKE Municipal Council within six months from the date of the commencement of the Right.
  - (v) Building construction to begin within six months after approval of plans.
  - (vi) Building to be complete within thirty six (36) months from the date of the commencement of the Right.

I hereby certify that this is a true copy of the original document



3. USE: Only one main building together with the usual and necessary outbuildings shall be built on the land and the same shall be used for Residential purposes only, Use Group(s) and Use Class(es) "A(a) and (c)", as defined in the Town and Country Planning (Use Classes) Regulations, 1960 as amended in 1993.
4. The Occupier shall not assign the Right within three years of the date hereof without the prior approval of the Commissioner.
5. The Occupier shall deliver to the Commissioner notification of disposition in prescribed form before or at the time the disposition is carried out together with all premia, taxes and dues prescribed in connection with that disposition.
6. The President may revoke the Right for good cause or in public interest.

**SCHEDULE**

ALL that land known as Plot No.31 Block 23 situated at KIBADA in TEMEKE Municipality containing [1,520] square metres shown for identification only edged red on the plan attached to this Certificate and defined on the registered Survey Plan Numbered 46754 deposited at the Office of the Director for Surveys and Mapping at Dar es Salaam.

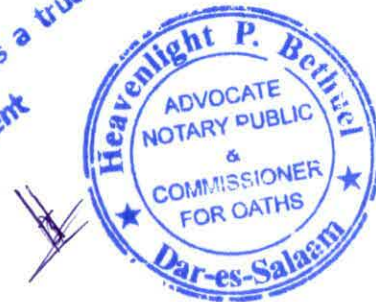
Given under my hand and my official seal the day and year first above written.

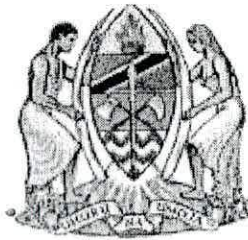
  
**ASST. COMMISSIONER FOR LANDS**

I/We, the within named IDRISA KASSIM MWAISAKA hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said  
 IDRISA KASSIM MWAISAKA  
 who is known to me personally/identified to me )  
 by..... )  
 the latter being known to me personally in )  
 my presence this day of 6<sup>th</sup> February, 2009 )  
 Witness's: ..... )  
 Signature..... GODFREY GERALD HILUKA )  
 Postal Address: P.O. Box 9230 )  
 DAR-ES-SALAAM )  
 Qualification: LAND OFFICER )

*I hereby certify that this is a true copy of the original document*





THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF LANDS, HOUSING AND HUMAN SETTLEMENTS DEVELOPMENT

The Land Act No.4 of 1999

LETTER OF OFFER OF RIGHT OF OCCUPANCY  
(Under Section 27)

Telegrams: 'VIWANJA'

Telephone: +255 (0) 22 212 1241-9

Ref. No. LD/265308

LAND DIVISION,

P.O.Box 9230,

Dar es Salaam.

Wednesday, March 19, 2008

JRISA KASSIM MWAISAKA

P.O BOX 2674

DAR ES SALAAM

Sir/Gentlemen/Madam,

PLOT NO.31 BLOCK 23 KIBADA in TEMEKE MUNICIPALITY  
CONTAINING 1520.0 SQ.M AS SHOWN IN REG. SURVEY PLAN NO. 46754

Your application for a Long Term Right of Occupancy (later in this letter called "the Right") over this plot has been approved. The terms and conditions of the Right are as follows: -

1. (i) Term: ninety nine (99) years from January 1, 2008
  - (ii) Rent: Tshs 22800 per year, which is revisable.
  - (iii) Use: The land shall be used for Residential purposes only, Use Group(s) and Use Class(es) "A(a) and (c)", as defined in the Town and Country Planning (Use classes) Regulations, 1960 as amended in 1993. Only one main building dwelling house together with the usual and necessary outbuildings shall be built. Commercial use shall not include the sale of vehicle fuels.
  - (iv) (a) Building to be in permanent materials.  
(b) Building plans to be submitted to the TEMEKE within six months from the commencement of the Right.  
(c) Building construction to begin within six months after approval of the plans.  
(d) Buildings to be completed within Thirty-Six months from the commencement of the Right.
  - (v) Further, you must pay fees, charges etc. and refund any contribution in lieu of rates which may be paid by
  - (vi) You shall be responsible for the protection of all Beacons on the land throughout the term of the Right. Missing Beacons will have to be re-established at any time at your expenses as assessed by the Director of Surveys and Mapping.
2. The following information is required by me: -
- (a) Your full name(s) in block letters. Requests to have the Certificate of Occupancy issued in the name of a person or persons other than the offeree shall not be entertained.
  - (b) Name of spouse(s).
  - (c) Your full residential address, giving the house number, name of street and your post office box number telephone, fax (if any) and your business address.
  - (d) Whether you wish to hold the Right individually or as joint occupiers or as occupiers in common. If it is occupancy in common, indicate the share to be taken by each of you.

Description	Amount	Paid	ERV	Date
Land Rent from 1st January, 2008 to 30th June, 2008	11,400.00	11,400.00	31517470	11 Mar 2008
Registration Fee	4,560.00	4,560.00	31713852	11 Mar 2008
Certificate of Occupancy Fee	3,000.00	3,000.00	31713852	11 Mar 2008
Deed Plan Fee	6,000.00	6,000.00	31713852	11 Mar 2008
Survey Fee	53,200.00	53,200.00	31713852	11 Mar 2008
Stamp Duty	1,230.00	1,230.00	31517470	11 Mar 2008
Premium	503,240.00	503,240.00	31713852	11 Mar 2008
<b>TOTAL FEES:</b>	<b>582,630.00</b>	<b>582,630.00</b>		

- The amount shown above should be paid to the Commissioner for Lands or authorized officer. The original exchequer receipts so obtained should then be sent to me with the information requested above.
- This offer shall remain open for a period of thirty days from the date of its receipt by you. Unless payments are made and receipts are returned to me within Thirty (30) days this offer shall lapse.

Yours faithfully,

  
 AUTHORISED OFFICER

Copy to: The Municipal Land Officer/~~Commissioner for Lands~~.

-----  
 ACCEPTANCE

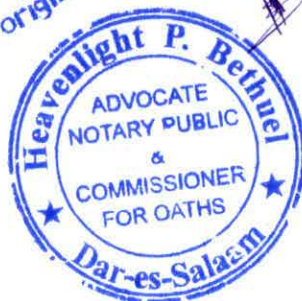
I, hereby accept the offer of right of occupancy on the terms and conditions contained HEREIN, this.....day of.....20.....

Signature(s): 1.....



**MAENDELEO ARDHI**  
**DAR ES SALAAM**

*I hereby certify that this is a true copy  
of the original document*



JAMHURI YA MUUNGANO WA TANZANIA  
THE UNITED REPUBLIC OF TANZANIA

7207

09317

TFN. 614 (Rev. 8.94)

STAKABADHI YA SERIKALI

37894373

1

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from

HAI NA BAI CHUAN CONSTRUCTION Co.

KIASI  
Amount

Shs.					Cts.
USD	1	00	00	00	00

JUMLA YA SHILINGI (Kwa maneno)

sum of Shillings (Words)

USDOLLAR ONE HUNDRED ONLY

NA SENTI  
And Cents

KWA MALIPO YA

In respect of

REGISTRATION FEE

KWA FEDHA TASLIMU/HUNDI

NAMEA

By Cash/Cheque No. CASH

KIFUO - Station

SAHIHI YA MPOKEAJI - Receiving Officer's

Signature

*[Signature]*

CHEO - Title

ACC

TAREHE - Date

24 JUNE 2011

BEM.

UPC-KUTA



CRDB BANK PLC  
Azikiwe Branch,  
P.O. Box 72344, Dar es Salaam, Tanzania  
Tel: +255 (0) 22 2137469, +255 (0) 2124556/8  
Fax: +255 (0) 2113660  
Email: manager\_azikiwe@crdbbank.com  
Website: http://www.crdbbank.com

CRDB /AZB/14/BB/11

14/06/2011

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

Dear Sir/Madam,

**REF: INTRODUCTION LETTER I.N.O HAI NA BAI CHUAN CONSTR. CO LTD**

The above captioned subject refers.

We have been requested by our above mentioned customer to confirm to you, as we hereby do, that they are maintaining a USD account No. 0250205331800 with us, the conduct of the said account has been satisfactory.

The above information is communicated to you without guarantee for your private use only and upon the express condition that neither this bank nor any of its officers shall be in any way responsible for giving it.

Yours Sincerely,  
CRDB BANK PLC

A handwritten signature in red ink, appearing to read 'Domina Msoka', written over a circular stamp or seal.

DOMINA MSOKA  
BRANCH DIRECTOR

## TANZANIA



## Certificate of Incorporation

Section 15

No 75487

I HEREBY CERTIFY THAT

**HAI NA BAI CHUAN CONSTRUCTION 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 **18TH** day of **MARCH**

**TWO THOUSAND AND TEN**

A handwritten signature in black ink, appearing to read 'J. M. M. M.', written over a dotted line.

Asst. . Registrar of Companies