



FLOOR SOLUTION

IMPEX (I) CO. LTD

# MINUTE SHEET

Dokezo  
No.

1.0

## Ag. EXD

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

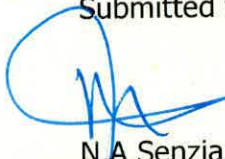
(a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 0.54M.....

(b) Legal entity has been incorporated under certificate

No. 86265..... of 05/04/2011.....

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

Submitted for signature.



N.A Senzia

DIF

15<sup>th</sup> December, 2011

2.0

## EXD

In response to the TIC letter of registration dated 15<sup>th</sup> December

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Interfund Bank (TZ) Limited

(c) Lease Agreement so evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 04.21.38..... herein attached.

23/12/2011

  
DIF

# MINUTE SHEET

Dokezo  
No.



## TANZANIA INVESTMENT CENTRE

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

RECEIPT REC005809

No.000370

Received from : FLOUR SOLUTION IMPEX CO. LTD

Address P.O.Box 78039 Dar es Salaam

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

Being payment in respect of: CERTIFICATE OF INCENTIVES

Amount : USD 750.00

Cash / Cheque No: D/Deposit 14/12

Date : 20-Dec-2011

A

Receiving Officer



Aug '11

53980



## TANZANIA INVESTMENT CENTRE

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

RECEIPT REC005436

No. 000204

Received from : FLOUR SOLUTION IMPEX CO. LTD

Address P.O. Box 78039 Dar es Salaam

Received the sum of (In words): ONE HUNDRED SIXTY FIVE THOUSAND AND ZERO CENTS ONLY

Being payment in respect of : REGISTRATION FEES

Amount : TZS 165,000.00

Cash / Cheque No: D/Dengali 12/11

Date : 01 Dec 2011

Simba

Receiving Officer

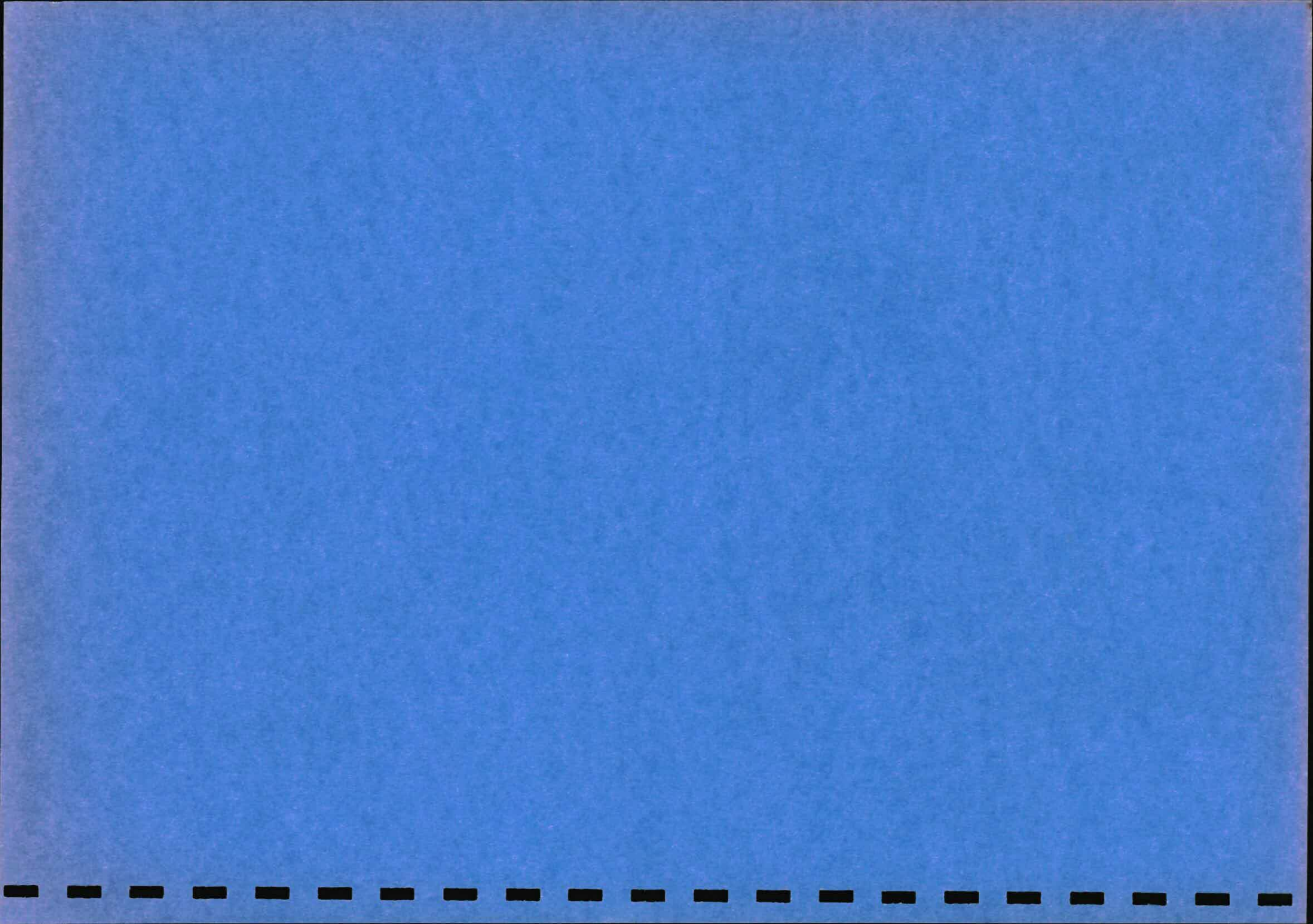
For Executive Director  
Tanzania Investment Centre

**FLOOR SOLUTION IMPEX (T) CO. LIMITED**

**Business Plan For**  
***MANUFACTURING OF WOODEN PRODUCTS***

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***Prepared by:-***  
***Mecky Francis Mziray***  
***P.O.Box 78039***  
***Dar es Salaam.***



**FLOOR SOLUTION IMPEX (T) CO. LIMITED**

**Business Plan For**  
***MANUFACTURING OF WOODEN PRODUCTS***

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*Prepared by:-  
Mecky Francis Mziray  
P.O.Box 78039  
Dar es Salaam.*

**BUSINESS PLAN FOR THE**

**PROPOSED PROJECT**

**OF**

**MANUFACTURING AND PROCESSING OF WOODEN  
PRODUCTS**

**NOVEMBER, 2011**

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## 1.0 EXECUTIVE SUMMARY

### 1.1 INTRODUCTION AND BACKGROUND

#### 1.1.1 Introduction

This is a report for a business plan for **FLOOR SOLUTION IMPEX (T) CO. LIMITED** with the main objective being establishment of a new wood processing and manufacturing facility, which will utilize the locally available valuable and abundant hard and soft wood for purposes of producing a variety of wood products mainly for export. The project promoters are sensitive to the look and feel of good and fine wood as well as to high-powered personal computing.

In essences, the project involves setting up a medium size wood processing and manufacturing factory capable of producing the following products:-

- Sawn timber
- Flooring parquets
- Veneer for decorating purposes
- Furniture
- Decorating parts and handicrafts

The project will adopt a labors intensive production technology in view of the abundance in expensive labors in Tanzania.

#### 1.1.2 Project Mission:

**FLOOR SOLUTION IMPEX (T) CO. LIMITED** mission is to always provide the best possible value to its customers who care about quality wooden products. Also to create and nurture a healthy, creative and respectful office and factory

environment, in which its employees are fairly compensated and encouraged to respect the customer and the quality of the product it produces.

### 1.1.3 Background

**FLOOR SOLUTION IMPEX (T) CO. LIMITED** is a registered Limited company incorporated under the Companies Act, 2002 on the 04<sup>th</sup> day of September 2011 and with Certificate of Incorporation No. 86265. The project is also granted with a Certificate of Registration under *the provisions of Rule 6 of the Forest rules of 1995* for carrying the business of dealing with export of forest produce, timber yard, logs and furniture mart.

### 1.1.4 Location

The project will be located in Kabuku Village, Handeni District, Tanga region.

## 1.2 THE MARKET

### General Market Review

Market observations in the country in general reveal that there is still high demand for high quality wooden products based on quality of the end product: *quality wood, quality workmanship, quality design and the quality of end result*. However, trade liberalization has created a somewhat more competitive environment in terms of quality services and pricing.

### **1.2.2 The Wooden Furniture in the Market**

The office and home furniture industry has undergone a great deal of change in this decade. The growth of the office superstores made a few large brands dominant. They produce relatively inexpensive furniture that makes compromises in order to stay at the low price level.

Makers of higher quality furniture are in general shuffling for niches to hide in. Although **FLOOR SOLUTION IMPEX (T) CO. LIMITED** was essentially developed around a niche, many of the more traditional furniture makers are looking for niches, trying to deal with declining sales as the main volume goes elsewhere.

### **1.2.3 Industry Participants in Tanzania**

The growth of the office and home furniture superstores (showrooms) made most local traditional furniture makers (locally skilled wooden carpenters) dormant. Designs are similar and quite competitive, costs and cost control is critical, and channel management and channel marketing are the keys to these business' continued success.

In mainstream office furniture, the rise of the office store channel has siphoned a lot of volume from the older and more traditional manufacturers. The channels that sold the more traditional lines are also suffering. What's left are smaller brands, smaller companies, and divisions of more traditional furniture companies.

There are also some traditional manufacturers still making desks as part of furniture lines focused mainly on home furnishings.

To survive the growing competition, the following adjustments need to be adopted by **FLOOR SOLUTION IMPEX (T) CO. LIMITED**.

- Cost reduction by adopting more radical methods and approaches;
- Putting more strength on the processing stage to reduce time and cost associated with the manufacturing of the final products.

#### **1.2.4 Business Analysis**

**FLOOR SOLUTION IMPEX (T) CO. LIMITED** potential and capability for survival is based on the following facts:

- **FLOOR SOLUTION IMPEX (T) CO. LIMITED** products and services are reputed for quality.
- **FLOOR SOLUTION IMPEX (T) CO. LIMITED** workers have requisite capability and experience.
- The location of **FLOOR SOLUTION IMPEX (T) CO. LIMITED** which is Tanga region one of the most affluent of the regions in the country.

#### **1.2.5 Planned Objectives**

The planned objectives are meant for the wood processing and manufacturing company to be well- equipped so as to ensure a sustainable manufacturing and servicing programme that will satisfy clients' needs.

In order to achieve the above objectives it is planned to implement the following strategies;

- Equip the project adequately by installing state-of –the-art facilities and support infrastructure;

- Institute a preventive maintenance programme;
- Develop and implement an effective marketing policy-
- **Target Marketing**; develop and implement an advertising and promotional programme;
- Establish an effective financial and resources management.

#### **1.2.6 Financial Appraisal**

The company's financial projections have been prepared over the period of five years. As mentioned no bank loan is expected to be sought during the initial stage of the project implementation period.

#### **1.2.7 Financial Review**

The financial review as shown on appendices attached to this document of **FLOOR SOLUTION IMPEX (T) CO. LIMITED** business shows that:-

- The project is profitable;
- The liquidity position is sound and that it should be able to meet its financial commitment without any undue difficulty;
- The operations are financially viable;
- The key ratios are acceptable.

#### **1.2.8 Summary and Conclusion**

The Business Plan should be given an opportunity to be implemented as conceived in this presentation.

## 2.0 OVERVIEW OF THE MANUFACTURING INDUSTRY

In the end of the 20th century, manufacturing activities in Tanzania have exemplified a steady growth, registering average annual growth of over 4 percent. Nevertheless, manufacturing activities in Tanzania, are relatively small and at an infancy stage. Its contribution to GDP has averaged 8% over the last decade, with most activities concentrated on manufacture of simple consumer goods - food, beverages, tobacco, textiles and furniture and wood allied products. Most of the present industries were established in the light of import substitution strategy, whereas production focused in substituting previously imported goods in view of saving the country's meagre foreign exchange.

The government decision to liberalise trade and investment policies, effected since 1986, witnessed a number of firms even those believed to be as strong, clumping down as they could hardly withstand competition from imported manufactures. A number of measures were taken in view of revamping competitiveness of the local industries and enhancing their penetration into export markets.

The government starting in the early 1990s launched a deliberate programme to restructure and privatise publicly owned enterprises. Out of this programme some sheds of hope are now emerging. The overall utilisation of installed industrial capacities is improving, rising from an average of 20% in 1990 to around 50% at the turn of the 21st Century. Some of the recently privatised industries have undergone intensive rehabilitations - improving their capital structure, production technologies and management and marketing system as well as retrenched workers to match with production levels and improved quality and lower costs of production.

The manufacturing sector is of significant importance in the Tanzania's economy. Up to 1999, the sector employed about 140,000 people or about 48% of total monthly wage earners, making it the largest urban employer. It remains to be the most reliable source of government revenue in terms of import sales, corporate and income taxes. It accounts for over half of government annual revenue collection. Though manufacturing export has been in a declining trend, yet it earns the country a fifth of total foreign exchange earnings to become a third important sector coming after agriculture and tourism. Moreover, it is the industrial sector that provides reliable field to practice invention, innovation and nurturing modern technologies for production and service provision.

## **2.1 Industrial Firms in Tanzania:**

### **2.1.1. Wood and Wooden Products, excluding Furniture Activities:**

Accounted in the subsector include sawmills, planing and other wood mills manufacturing goods. Also included in this subsector is the manufacturing of wooden containers, cane products and wooden products.

### **2.1.2. Chemicals, Petroleum, Rubber and Plastics:**

The chemical subsector comprise the manufacture of basic industrial chemicals, fertilizers, pesticides, plastic materials and products, medicinal and pharmaceuticals, soap, detergents, perfumes and other cosmetics, paints and other chemical products. While the petroleum subsector comprise of petroleum refineries, fuel oils, lubricating oils and manufacture of asphalt materials. Rubber products produced in the country include tyres and tubes conveyors and fan belts, rubber mats, groves, pipes and tanks, plastic sheets, kitchenware,

furniture and footwear. Production, albeit characterized by peaks and troughs, has remained approximately constant since the early nineties.

### **2.1.3 Food, Beverage and Tobacco:**

The food manufacturing in Tanzania include manufacturing of dairy products, canning and preservicing of fruits and vegetables, canning fish and similar foods, manufacture of animal and vegetable oils, grain milling baking, sugar and confectionery as well as prepared animal feeds. The beverages include the distilling of ethyl alcohol, distilling rectifying and blending of spirits; manufacture of wines, cider and beer. Also included is the production of soft drinks and carbonated waters and the bottling of natural spring and minerals waters. The tobacco subsector comprises manufacturing of cigarettes, tobacco and other tobacco production.

### **2.1.4 Textiles, Clothing, Leather and Footwear:**

Activities undertaken in this category include spinning, weaving, finishing of textiles; the manufacture of made-up textile goods; knitting, manufacture of carpets, rugs, cordage, rope and twines.

For the leather and footwear activities involved include tanneries; leather finishing and manufacturing of products from leather such as luggage, handbags and purposes. The leather sub-sector was the first to be identified for privatisation. Hitherto, all the three large tanneries and two shoe making factories have been privatised.

### **2.1.5 Paper and Paper Products:**

This comprises the manufacturing of pulp, paper, paperboard, fibreboards, light packaging, heavy packaging, stationery and other paper products.

### **2.1.6 Non-metallic Mineral Products:**

This includes manufacture of pottery, china and earthenware, glass and glassware products, bricks, tiles, cement, concrete, gypsum and plaster products.

Physical volume of production has been in the up swing since the early nineties and particularly towards the end of the decade following privatisation of the cement mills. Level of employment has similarly been sustained.

### **2.1.7 Basic Metal Products:**

This comprises rolling mills and foundries to produce products such as slabs, bars, sheets, plates, strips, tubes, pipes and rods.

### **2.1.8 Fabricated Metals, Machinery and Equipment:**

This include manufacture of cutlery, hand tools and general hardware, furniture and fixtures, doors, metal staircases and window frames. Others are electrical motors transformers, electrical control devices and switchboard apparatus as well as radios and transport equipment, mainly bicycles and animal and auto-pulled carts.

### **2.1.9 Other Manufacturing Industries:**

This covers products such as jewellery and related articles, furniture manufacture, measuring and controlling equipment and optical goods.

Production in thin group of products has persistently been in the upward trend. Employment levels have similarly been in rising.

Production in this category has exemplified a steady growth, with an average growth of over 12 percent over the last decade. For the last three years employment in the industry increased by 11,000.

## **2.2 Gross Domestic Products**

Outside the agriculture sector, manufacturing industries in Tanzania are also the source of employment opportunities and wealth creation. They contribute to social stability and generate tax revenues. Table 1 below shows that industrial sector contributed to a total of 25% GDP between 2000 – 2002, 17.8% for sectoral growth, 21% contribution to total exports, 22.3% sectoral contribution to overall GDP at factor cost and 90.8% change in industrial exports. Enterprises constitute an important source of local supply and service provision to both rural and urban communities in Tanzania

**Table 1: Industrial Sector Performance (%)**

YEAR	% Contribution to GDP	Sectoral Growth	% Contribution to total exports	Sectoral contribution to overall GDP at factor cost	% Change in Industrial Exports
2000	8.3	4.8	6.5	7.5	43.2
2001	8.3	5.0	7.2	7.4	30.3
2002	8.4	8.0	7.3	7.4	17.3
Total	25.0	17.8	21.0	22.3	90.8

**Source: President's Office – Planning & Privatization**

The manufacturing sector grew by 8.0 per cent in 2002, compared to 5.0 percent in 2001. This growth was attributed to the increase in the production of industrial products, such as cement and textiles. The contribution of manufacturing sector to total GDP increased to 8.4 percent in 2002, from 8.3 per cent in 2001. The main factors that contributed to that growth include innovative products, growth of information services, enhanced production following rehabilitation of some privatized manufacturing industries and increased production of goods. In addition, new manufacturing profits, and conducive environment to the investors, as well as availability of important services such as electricity and water, contributed to that achievement. In addition 2002, Tanzania Investment Centre approved 103 manufacturing sector projects worth Shs.195,072 million compared to 82 projects worth Shs.124,735 million in 2001.

### 2.3 Employment

Industrial sector plays a pivotal role in providing employment opportunities to the most of urban population. It is estimated a total of 180,023 people were employed in 2002 compared to 163,168 people in 2001. This increase of 10.3 per cent, was attributed to the commissioning of the new manufacturing projects. The employment opportunities in industrial sector were growing from year to year. For example, between 2000 - 2002 the estimated number of employees in food processing was 139,595 (37.29%), followed by textile for 132,017 (35.29%) employees. Other industries include 27707 (7.4%) in basic metal, 24542 (6.56%) timber and timber products, 19472 (5.2%) wood furniture, 17088 (4.56%) non metallic products, 10368 (2.77%) foot wear and only 3606 (0.96%) employees in leather goods industries.

Industries are an important source of employment, particularly for low-skilled workers, as well as women and young people, who usually make up the greatest proportion of the unemployed in Tanzania. Their flat management structures mean that their personnel must fulfill multiple roles, which makes them less vulnerable to unemployment during periods of economic crisis.

*See table 2 below showing Industrial Sector Contribution to Employment.*

**Table 2: Industrial Sector Contribution to Employment**

Industry Activity	2000	2001	2002	Total	%
Food Processing	43,602	46,217	49,776	139595	37.29
Textile Manufacturing	41,537	44,029	46,451	132017	35.26
Manufacture of leather goods	1,072	1,137	1,397	3606	0.96
Foot Wear	3,323	3,522	3,523	10368	2.77
Timber and timber products	5,965	6,323	12,254	24542	6.56
Manufacture of wood furniture	4,733	5,017	9,722	19472	5.20
Manufacture of non-metallic products	5,235	5,549	6,304	17088	4.56
Basic metal industries	7,958	8,436	11,313	27707	7.40
Total	113425	120230	140740	374395	100

**Source: National Bureau of Statistics**

## **2.4 Production**

Manufacturing industries showed good performance in production include: pharmaceuticals, packaging materials (sacks, boxes, bottles and bags), foodstuffs and beverages), textiles, soap, metal, cement, corrugated iron sheets, paints and sisal ropes. Production in the manufacturing industries hides, leather goods, paper and paper products, continued to be low due to investors failure to complete rehabilitation or have not yet been divested. Production of metal and metal products in 2002 slightly increased from 16,340 tons 2001 to 25,418 tons, an increase of 55.6 percent compared to 46.1 per cent in 2001. Following the restructuring of capital, plant and management

in textile industries production increased by 26.06 percent from 84,325,000 square metres in 2001 to 106,305 square metres in 2002 (*Economic Survey, 2002*).

### 3.0 PROJECT DESCRIPTION

#### 3.1 The Project

The company sees a bright future to the Tanzania economy and manufacturing sector in particular as such the company has decided to venture into the manufacturing sector. This business plan sets out a proposal for establishing a modern wood processing and manufacturing plant to be based in Kabuku village, Handeni district, Tanga. Specifically the company will manufacture wooden products of high quality wood and well designed suitable for local and export market.

#### 3.2 The Project Promoters

The project promoters of this project are **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** whose shareholders are as shown below:-

S/NO.	Name	Shares	Nationality
1.	Mr. Chea Sang Hok	40%	Cambodian
2.	Mr. Mecky Francis Mziray	30%	Tanzanian
3.	Mr. Kim Hong	30%	Cambodian

#### Directors' Profile

The project is backed by well established and experienced people with vast experience in the manufacturing sector and also with sound technical, financial and managerial aspects.

### 3.4 Location

The proposed manufacturing project will be established in Kabuku viilage, Handeni District, Tanga region.

### 3.5 Project Objectives

Major objectives for which the company was established is:-

- To establish and operate a wood processing and manufacturing project;
- To provide high quality wooden products based on quality of the end product: **quality wood, quality workmanship, quality design and the quality of end result.**

#### 3.5.1 Keys to Success

- Uncompromising commitment to the quality of the end product and creativity.
- Successful niche marketing: the project needs to find the quality-conscious customer in the right channels, and the need to make sure that customers can easily seek for the services provided by the project.
- Almost-automatic assembly: assembling will be easy and automatic that will make customers feel better about the quality, not worse and also flexibility in transporting the products.

### 3.6 Target Markets

The targeted market for this project is for both domestic and export markets.

### **3.7 Investment Cost**

The project is estimated to cost **USD 540,000** when it is fully implemented.

### **3.8 Project Financing**

The project will be financed by existing shareholders contribution in terms of equity. No bank loan is envisaged to be applied at the mean time.

### **3.9 Financial Appraisal**

The company's financial projections have been prepared over the period of five years. As mentioned no bank loan is expected to be sought during the initial stage of the project implementation period.

#### **3.9.1 Implementation**

It is expected that the project will be implemented in three year period that involves plot renovation and minor civil works, power and water network improvement in year 1 and from year 2 more concentration will be given to plant consolidation and production growth. The project is expected to be implemented in three years.

## **4.0 MARKETS AND MARKETING ASPECTS OF THE PROJECT**

### ***Target Markets and Segmentation***

The project targets for both domestic and export markets. It is expected that 50% of wooden products will be sold to the local market and the remaining 40% which will be exported.

The project is also intending to sell its products directly to retailers and direct sales to customers. The project will display its high quality wooden products at the company showroom and through a well designed company catalogue and brochures to be distributed freely at Shopping Malls for interested customers.

In the project's particular market, the company seeks the buyer who appreciates two attributes: the quality of good workmanship and the excellence of design, with an understanding of technology and ergonomics built in.

#### **4.1.1 Production Capacity**

The production capacity is expected to increase depending on the market demand for company products.

#### **4.1.2 Marketing Strategies**

On the basis of the market survey it has been found that only few existing manufacturers and suppliers carry out promotional efforts. This is an indication of the existence of un-satisfied demand. Nevertheless, in order to penetrate the market quickly and accrue position, the project will carry out project advertisement efforts to promote the products.

The company will then come up with strategies related to products quality, price and pricing strategy, sales strategy. Other strategies shall include promotion, communication and facility strategies.

#### **4.1.3 Competitive Analysis**

The primary competition is not from local manufacturers in the country, but rather from wooden items/products that are imported from abroad such as Malaysia, Turkey and Brazil.

In the high-end specialty market, particularly in the company niche, features are very important. The project's target customer is not making selections based on price only but the ergonomics, design, the high-quality feel of good wood, is much more important than mere price. The project is also seeing that assembly is critical to transporting, shipping and packing, and that the customer doesn't accept any assembly problems. **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** will make sure that **Reliable Delivery** is as important as **Reliable Quality**.

The management of **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** is determined to acquire all important machinery, tools and equipment in order to be effective, efficient and competitive in the manufacturing sector.

#### **4.1.4 Distribution System**

The products will be distributed locally directly to retailers, corporations buying in huge volumes, individuals and different channels using company motor vehicles.

## 5.0 TECHNICAL REQUIREMENTS

### 5.1 Modification of the building

This undertaking will require a period of 12 months to completion.

### 5.2 Ordering of Machinery / Equipment / Vehicles

Timely ordering will have to be executed to match the rate of development of the project. Time needed will run into few days.

#### Type of Machinery and Equipment required:-

<b>(i) Manufacturing Flooring Machine Line (2 lines)</b>		
<b>S/NO.</b>	<b>DESCRIPTION</b>	<b>QUANTITY</b>
1.	4 side planner with 6 spindles FE 620	4
2.	Tenoner	2
3.	Packing Machine (new)	10
4.	Air Compressor (new)	2
5.	1 side planner	2
6.	2 side planner	2
<b>(ii) Klin dry (1 unit)</b>		
7.	Boiler 2.5 Tons	1
8.	Water Control Box	5
9.	Accessory & Spare Part	5 set
<b>(iii) Sawing Machine (2 lines)</b>		
11.	Semi-automatic Band Saw with carriage	2
12.	Table band saw	6
13.	Gang Ripsaw FE 320	2
14.	Cross Cut saw	10
15.	Chain Saw	10

<b>(iv) Coating Line</b>		
<b>S/N</b>	<b>DESCRIPTION</b>	<b>QUANTITY</b>
16.	Rough Sanding Machine	2
17.	Sanding Machine	4
18.	UV Machine	6
19.	Packing Machine	2
20.	Maintain Machine & Spare Part	2
<b>(v) Finger Joint Line (1 line)</b>		
21.	4 side planner with 6 spindles	2
22.	Moulding Machine	4
23.	Hydraulic System for joint and drying product	2
24.	Sanding Machine	2
25.	Maintain Machine and Spare Parts	1

**TRANSPORT FACILITIES:-**

<b>S/NO.</b>	<b>DESCRIPTION</b>	<b>QUANTITY</b>
1.	Loading Machine 3T	1
2.	Loading Machine 1.8T	2
3.	Tractor N70 Ford	2
4.	Tractor N90 Ford	2
5.	Semi Trailer	2
6.	Double diff Truck	4
7.	Pick up/patrol (d)	2
8.	Office Car Saloon	1
9.	Maintain line	1
10.	Single diff truck	3

### **5.3 Advertisements Efforts**

These will be carried out when 80% percent of civil works are completed. This is intended to facilitate prompt acquisition of extra potential customers.

### **5.4 Installation of Machinery / Equipment / Furniture**

Once the building is renovated then will follow the installation of machinery / equipment/furniture and fittings upon arrival at the project site.

### **5.5 Plant Location and Civil Works**

#### **5.5.1 Site and Location**

The project will be located in Kabuku Village, Handeni District Tanga region. This location takes into consideration such important factors like availability of raw material, reliable power and security.

#### **5.5.2 Production Building Required**

The buildup area required for production will be medium sized taking into consideration the kind of operations to be undertaken.

#### **5.5.2 Office Building**

An office block to accommodate the administrative and clerical staff will also be required.

### **5.6 Utility Services**

#### **5.6.1 Water**

To make sure that there is reliable supply of water at the project premises water storage facilities will be installed within the premises.

### 5.6.2 Electricity

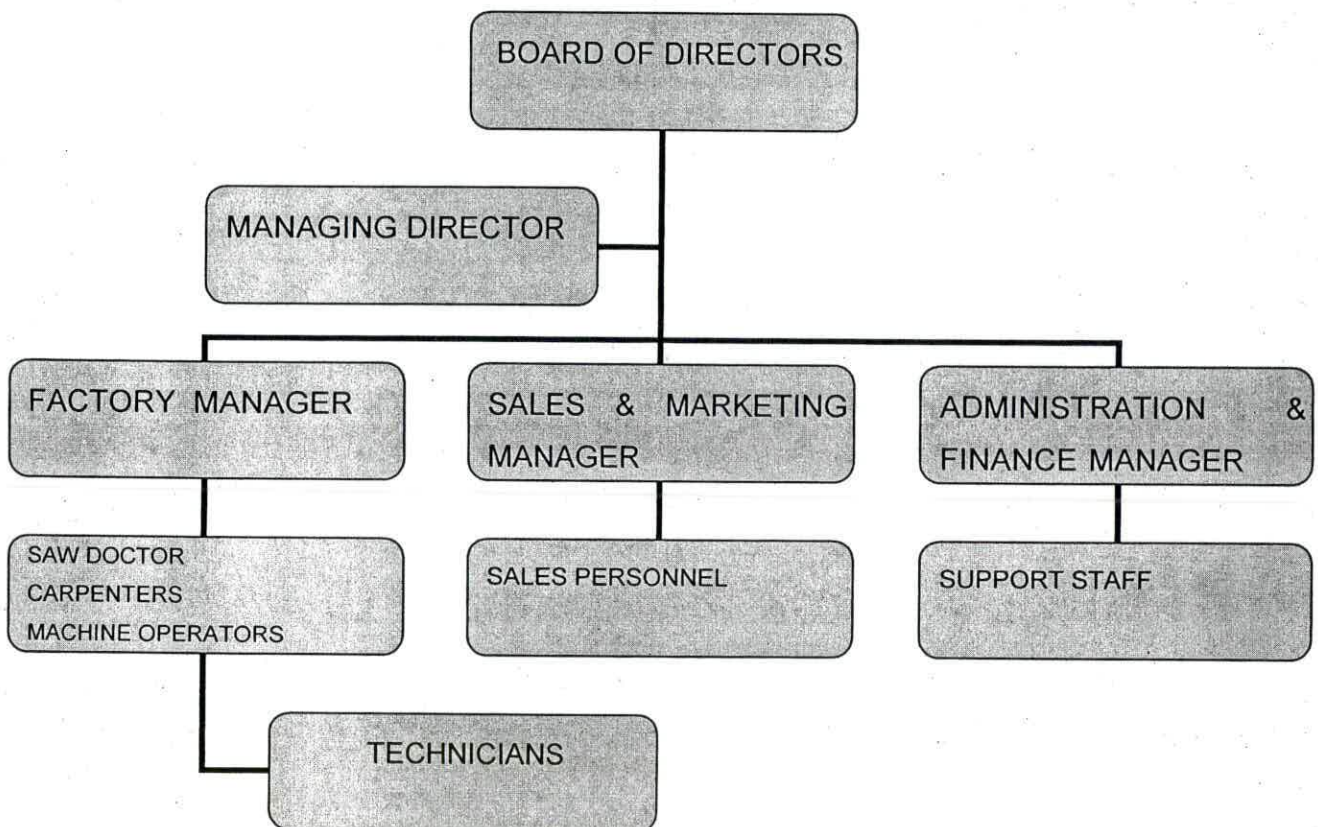
As said earlier in this report, the source of energy for the proposed project will be electric power. A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts by TANESCO.

## 6.0 MANAGEMENT AND ORGANIZATION

### 6.1 Organization Structure

With the vision of the company, it is expected that the company will grow to an extent that it will require a structured management system. This entails the design of management flow system with clear outlined duties and responsibilities of each member of management.

The organization structure takes into account the fact that within the next one year; the company's total workforce will have more than 30 employees of different levels of qualifications and responsibility once fully established. This will require a properly designed administration policy and guidelines for each work category. The organization structure is shown herein below:-



## **Manpower and Plant Organization**

The proposed project will have three independent departments, namely:-

- Production (Factory)
- Sales and Marketing
- Administration and Finance

### **6.3 Organization**

The Board of Directors of **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** shall manage the project at policy level. The top most person in the day to day running of the company will be the Managing Director. Under the Managing Director's office will be the three Departments mentioned above. Each will be under a Manager and will comprise a number of Sections each headed by a Section Head as follows:-

#### **6.3.1 Production Department (Factory) Sections:-**

- Operations
- Maintenance

#### **6.3.2 Sales and Marketing Department Sections:-**

- Research and Promotion
- Sales

#### **6.3.3. Administration and Finance Department Sections:-**

- Human Resources and Administration
- Finance and Accounts

Each Department will be manned by a number of personnel with varying education levels and work experiences.

The management team of **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** will comprise the Managing Director, Factory Manager, Finance and Administration Manager and Sales and Marketing Manager.

**Responsibilities will be as follows:-**

#### **6.4.1 Production Department (Factory)**

The Manager will be responsible for plant operations, and planning and overseeing daily manufacturing activities being carried out. He will further be responsible for repair and maintenance of company assets and research and development activities. The Department will comprise Sections, namely:

*The Production Section* which will be responsible for overseeing manufacturing operations. An expatriate will be employed to train the local technicians in this aspect of operations.

*Maintenance Section* which will manage plant and machinery maintenance.

#### **6.4.2 Finance and Administration Department**

An Administration and Finance Manager will head the Department. He will be responsible for the administration of the company as well as overseeing the financial aspects of the company. An Accountant will manage the finance function while a Human Resources Section Head will oversee company human resource issues. The following important units will be under the Department. The personnel and administration unit which will be responsible for the general administrative matters of the company as well as personnel issues.

The finance unit, which will be responsible for financial issues. It will also be responsible for the proper maintenance of books of accounts and financial planning.

The purchasing unit which will be responsible for the purchase of raw materials, spare parts and equipment. This section will also be responsible for the receipt, storage and issues of purchased materials.

#### **6.4.3 Sales and Marketing Department**

This Department will be headed by the Sales and Marketing Manager who will be responsible for the development of a sustainable sales and distribution network. This will involve developing distribution network and recruitment and training of qualified and well motivated marketing and sales personnel.

There will be two Section Heads under the Department. One Section will be responsible for Research and Promotion and another will handle Sales function.

#### **Manpower Requirement**

The permanent manpower requirement for running the proposed factory is 31; several other employees will be contracted on temporary basis.

#### **6.6 Source of Manpower and Wage Bill**

Manpower for proposed project will be employed from local sources, except for a few expatriates who would basically be engaged in the training of local staff. The workers will be given *on-the-job* training to familiarize them with the proposed machinery and equipment. After the initial 2 years, depending on the results of the training, local counter parts will replace the expatriates.

## **6.7 Occupational Health and Safety**

It can generally be said that the owner or operator shall carry out wooden processing and manufacturing operations and fulfill the obligations under his project and shall have full responsibility therefore and assume all the risks thereof. Plant operations shall be carried out in a competent manner and in accordance to good international marketing practices.

The owner or operator shall take all reasonable steps necessary to secure the safety, health and welfare of persons engaged in the manufacturing operations in, outside or about the project area. All the said requirements will be governed by the Tanzania Regulations, together with acceptable international practice.

## 7.0 INVESTMENT AND FINANCING

### 7.1 Investment Cost

The project is estimated to cost **USD 540,000** when it is fully implemented as shown on table below:-

<b>Investment Plan</b>					
Planning years >>	2011	2012	2013	2014	2015
	USD	USD	USD	USD	USD
<b>Investment</b>					
Land and building	100,000	0	0	0	0
Plant & Machinery	100,000	0	50,000	0	0
Motor vehicles	100,000	0	50,000	0	0
Furniture's	20,000	0	0	0	0
Computers	30,000	0	0	0	0
Working Capital	50,000	0	0	40,000	0
<b>Total investment</b>	<b>400,000</b>	<b>0</b>	<b>100,000</b>	<b>40,000</b>	<b>0</b>
<b>Fixed assets accumulated: at cost</b>	<b>400,000</b>	<b>400,000</b>	<b>500,000</b>	<b>540,000</b>	<b>540,000</b>

### 7.2 Sources of Finance

The project will be financed by existing shareholders contribution in terms of equity. No bank loan is envisaged to be applied at the mean time.

### 7.3 Project Implementation

The project will require three years to be fully implemented and operational.

#### **7.4 Assumptions**

The financial projections to determine the viability of the project by **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** are based on the following key assumptions:

- Installation of plant facilities will start immediately. Thereafter manufacturing operations and production of finished products will commence.
- The company market will be both local and export.
- Financial calculations are based on current market prices and costs are assumed constant throughout the operating period under review on the assumption that if operation costs change, selling prices will change proportionally to preserve the profit margins.

## 8.0 FINANCIAL AND ECONOMIC ANALYSIS

### 8.1 Financial Analysis

The projects financial projection depicts the project to be viable, as it is shown by some of the indicators on the summary sheets appended.

### 8.2 Internal Rate of Return (IRR) after Tax

The project's internal rate of return after tax is at **14.7217** as indicated on financial sheets appended.

### 8.3 Payback Period

This gives an estimated period from start of operation to the time when initial fixed investment is recovered through profits after tax and depreciation charges.

The payback period for this undertaking is estimated at around **5 years**.

### 8.4 Break-even Analysis 3<sup>rd</sup> year

The break-even analysis on the 3<sup>rd</sup> year of operation is as shown below:-

BREAK EVEN ANALYSIS					
planning years >>	2011	2012	2013	2014	2015
Sales Revenue	445,100	708,840	852,506	949,087	1,118,267
Variable Costs	422,240	499,927	537,017	563,399	606,604
Contribution Margin	22,860	208,913	315,489	385,688	511,663
Fixed Costs	400,000	400,000	500,000	540,000	540,000
Contribution Margin Ratio %	19.47	38.89	38.89	39.25	45.42
Beak even Sales	20,544	10,284	12,858	13,757	11,889
Break even Point (%)	0.22	0.69	0.66	0.69	0.94

## **9.0 ECONOMIC ADVANTAGES**

On the basis of the above account the analysis has overwhelmingly proved that the project is financial sound and techno-economically viable.

Furthermore, the project has immense potential towards the earning of the badly needed Forex earnings. It is hereby recommended that the project be implemented. The envisaged undertaking will be viable and profitable if it is implemented early.

Full execution of the envisaged project will make it one of the upcoming manufacturing companies in the country which will contribute to economic and social development in terms of employment, economic activities and infrastructure development.

Several Social Economic benefits that will be apprehended in the course of operating this undertaking will include the following:

### **9.1 Social and Economic Impact of the Project**

The project will have both economic and social benefits to the community and the country as a whole. The first and foremost important benefit will be to the Municipality in which the plant will be located with potential for increasing the standard of living for people in that particular area. The following are the benefits of the project:-

### **9.2 Employment Effect**

The project will create employment to both skilled, semi skilled, unskilled staff and casual labourers. The company will also create employment opportunities

to locals. The employees will also benefit from contribution by the employer for social security fund. In addition, the plant operations will increase activity levels consequently trigger income spillover effect to the neighboring people.

### **9.3 Foreign Exchange Contribution**

The major thrust of **M/S FLOOR SOLUTION IMPEX (T) CO. LIMITED** is to produce high quality wooden products and to be able to compete effectively in the export market. It is expected that 20% of wooden products will be sold in the neighbouring countries. This means that the country will earn foreign currency, which will be used to import other important items for the benefits of the nation.

### **9.4 Linkage Effect**

The project shall provide a linkage effect with other sectors of the economy. A number of companies will have to provide services to the company like power supply, water and those involved in transportation.

### **9.5 Contribution to Government Revenue**

The project will contribute to the Government reserve in form of taxes, payroll levy, land rent, and other taxes and duties on local and export sales. In addition, the project will have a multiplier effect in the economy as a whole.

### **9.6 Social Impact**

The project will create employment and will also be involved in support to social activities and local experts will be trained to be professionals within the country.

The company has potential for growth and competitiveness in the market. This can be achieved provided that the operational plan and marketing strategies set

out in the feasibility study are implemented. This entails acquisition of the required equipment, development of export market channel, the use of experts in undertaking the projects' implementation. Given the project's economic, social and financial benefits, it is recommended for approval for Certificate of Incentives.

## **10.0 PROJECT SENSITIVITY TO ENVIRONMENT**

The environmental impact assessment is a key guide to this project. In that sense the project will do a thorough research on the nature of the environment around the site and by means of national guidelines, use all means possible to keep the environment natural within the project area. No interruptions will be done unnecessarily and where necessary the highest precaution will be made.

### **10.1 Mitigation Measures to Environmental issues**

Under normal circumstances the project will have no any serious negative environmental impact which will be realized in the short or long term periods.

**Solid Waste Management:** Usually waste management costs include both capital investment and operating costs. The latter generally comprises the cost of labor, tax and consumables, the cost of energy, in addition to other items. The operating costs assigned to waste management are usually very small, whereas capital costs have a significant share.

**Waste Water (Odor):** No waste water shall be allowed to enter into any stream that flows in the neighborhood of the project site.

**Vibration:** All measures will be taken in the project site to keep vibration well below level. (Vibration is the range of frequencies from 1 Hz to 25 kHz.)

**Gardening:** Most of the un-built-up area will be put under gardening that shall be well-maintained with flowers and trees of various species.

**Dust & Noise:** All efforts shall be taken to maintain low levels of dust emission and noise.

The project is therefore environmentally friendly, as it preserves it, develops it and cares for its sustainability.

#### **11.0 CONCLUSION AND RECOMMENDATION**

The project is consistent with the governments Industrial Policy, financially and economically viable, socially desirable and environmentally friendly, hence it is recommended for approval and implementation.

***FINANCIAL STATEMENTS***

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**FLOOR SOLUTION IMPEX (T) CO. LIMITED**  
**Income statement**

	2011	2012	2013	2014	2015
	USD	USD	USD	USD	USD
<b>Total net sales</b>	<b>445,100</b>	<b>708,840</b>	<b>852,506</b>	<b>949,087</b>	<b>1,118,267</b>
Office/Home Furniture product 1	159,500	191,400	245,630	270,193	339,671
Sawn Timber product 2	134,400	295,680	345,576	380,134	442,744
Other wooden products	151,200	221,760	261,300	298,760	335,852
<b>Total revenues</b>	<b>445,100</b>	<b>708,840</b>	<b>852,506</b>	<b>949,087</b>	<b>1,118,267</b>
<b>Cost of goods sold COGS</b>	<b>262,603</b>	<b>325,520</b>	<b>360,888</b>	<b>385,496</b>	<b>426,873</b>
Raw material	89,020	141,768	170,501	189,817	223,653
Semi finished products / components	0	0	0	0	0
Energy	8,902	14,177	17,050	18,982	22,365
Utilities	4,451	7,088	8,525	9,491	11,183
Salaries & Wages	75,230	77,487	79,812	82,206	84,672
Production workspace	80,000	80,000	80,000	80,000	80,000
Other production costs	5,000	5,000	5,000	5,000	5,000
<b>Gross profit</b>	<b>182,497</b>	<b>383,320</b>	<b>491,618</b>	<b>563,591</b>	<b>691,393</b>
<b>Selling, general and administrative expenses SG&amp;A</b>	<b>159,637</b>	<b>174,407</b>	<b>176,129</b>	<b>177,903</b>	<b>179,730</b>
Salaries	55,735	57,407	59,129	60,903	62,730
Workspace	75,000	75,000	75,000	75,000	75,000
Marketing & sales expenses	8,902	22,000	22,000	22,000	22,000
General office and utilities expenses	20,000	20,000	20,000	20,000	20,000
Other	0	0	0	0	0

<b>Operating profit / EBITDA</b>	<b>22,860</b>	<b>208,913</b>	<b>315,489</b>	<b>385,688</b>	<b>511,663</b>
<b>Depreciation</b>	<b>35,000</b>	<b>35,000</b>	<b>42,500</b>	<b>36,500</b>	<b>36,500</b>
<b>Interest expenses (loan from bank)</b>	<b>33,000</b>	<b>33,000</b>	<b>29,700</b>	<b>26,400</b>	<b>23,100</b>
<b>Interest income from investments (bank deposit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Extraordinary charges (or incomes)</b>	<b>40,000</b>	<b>26,000</b>	<b>9,000</b>	<b>9,000</b>	<b>9,000</b>
Currency exchange adjustments					
Fees and provisions	<b>30,000</b>	<b>20,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
Other	<b>10,000</b>	<b>6,000</b>	<b>4,000</b>	<b>4,000</b>	<b>4,000</b>
<b>Income tax</b>	<b>0</b>	<b>8,932</b>	<b>70,287</b>	<b>94,136</b>	<b>132,919</b>
<b>Net profit (or loss)</b>	<b>-85,140</b>	<b>105,981</b>	<b>164,002</b>	<b>219,651</b>	<b>310,144</b>

**FLOOR SOLUTION IMPEX (T) CO. LIMITED**  
**Balance sheet**

Income statement	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
		USD	USD	USD	USD	USD
<b>Long-term assets</b>						
Fixed assets: property, plant and equipment		365,000	330,000	387,500	391,000	354,500
Long-term financial investments		0	0	0	0	0
Goodwill		0	0	0	0	0
<b>Total long-term assets</b>		<b>365,000</b>	<b>330,000</b>	<b>387,500</b>	<b>391,000</b>	<b>354,500</b>
<b>Current assets</b>						
Cash & cash equivalents (current account)		48,177	142,992	200,114	362,339	644,447
Deposit account		0	0	0	0	0
Accounts receivable		14,633	23,304	28,028	31,203	36,765
Inventories		2,158	2,676	2,966	3,168	3,509
<b>Total current assets</b>		<b>64,969</b>	<b>168,971</b>	<b>231,108</b>	<b>396,710</b>	<b>684,721</b>
<b>Total assets</b>		<b>429,969</b>	<b>498,971</b>	<b>618,608</b>	<b>787,710</b>	<b>1,039,221</b>
<b>Long-term liabilities</b>						
Long-term loans		300,000	270,000	240,000	210,000	180,000
<b>Total long-term liabilities</b>		<b>300,000</b>	<b>270,000</b>	<b>240,000</b>	<b>210,000</b>	<b>180,000</b>
<b>Current liabilities</b>						
Accounts payable		15,109	18,729	20,763	22,179	24,560
Other provisions		0	0	0	0	0
<b>Total current liabilities</b>		<b>15,109</b>	<b>18,729</b>	<b>20,763</b>	<b>22,179</b>	<b>24,560</b>
<b>Shareholders equity</b>						
Share capital		200,000	200,000	200,000	200,000	200,000

Reserves	0	0	0	0	0
Retained earnings (or - accumulated losses)	-85,140	10,243	157,845	355,531	634,661
<b>Total shareholders' equity</b>	<b>114,860</b>	<b>210,243</b>	<b>357,845</b>	<b>555,531</b>	<b>834,661</b>
<b>Total liabilities &amp; equity</b>	<b>429,969</b>	<b>498,971</b>	<b>618,608</b>	<b>787,710</b>	<b>1,039,221</b>
Balance sheet check (numbers should be zero)	0	0	0	0	0

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### Cash flow statement

Income statement

*planning years >>*

	2011 USD	2012 USD	2013 USD	2014 USD	2015 USD
<b><i>Cash flow from operating activities</i></b>					
Operating profit (EBITDA)	22,860	208,913	315,489	385,688	511,663
Interest expenses	-33,000	-33,000	-29,700	-26,400	-23,100
Interest income from investments (bank deposit)	0	0	0	0	0
Extraordinary charges (or incomes)	-40,000	-26,000	-9,000	-9,000	-9,000
Income tax	0	-8,932	-70,287	-94,136	-132,919
<b><i>Movements in working capital</i></b>					
Decrease (or - increase) in accounts receivable	-14,633	-8,671	-4,723	-3,175	-5,562
Decrease (or - increase) in inventories	-2,158	-517	-291	-202	-340
Increase (or - decrease) in accounts payable	15,109	3,620	2,035	1,416	2,381
Increase (or - decrease) in other provisions	0	0	0	0	0
<b>Total cash flow from operating activities</b>	<b>-51,823</b>	<b>135,413</b>	<b>203,523</b>	<b>254,190</b>	<b>343,123</b>
<b><i>Cash flow from investing activities</i></b>					
Sale (or - purchase) of fixed assets	-400,000	0	-100,000	-40,000	0
Sale (- purchase) of long-term financial investments	0	0	0	0	0
Decrease (or - increase) of goodwill	0	0	0	0	0
cash placed in the deposit account	0	0	0	0	0
<b>Total cash flow from investing activities:</b>	<b>-400,000</b>	<b>0</b>	<b>-100,000</b>	<b>-40,000</b>	<b>0</b>
<b>Free cash flow</b>	<b>-451,823</b>	<b>135,413</b>	<b>103,523</b>	<b>214,190</b>	<b>343,123</b>

***Cash flow from financing activities***

Long term loans drawn	300,000	0	0	0	0
Repayments of loans made	0	-30,000	-30,000	-30,000	-30,000
Equity contribution (or - withdrawal)	200,000	0	0	0	0
Dividend paid	0	-10,598	-16,400	-21,965	-31,014
<b>Total cash flow from financing activities</b>	<b>500,000</b>	<b>-40,598</b>	<b>-46,400</b>	<b>-51,965</b>	<b>-61,014</b>
<b>Total net increase (- decrease) in cash</b>	<b>48,177</b>	<b>94,815</b>	<b>57,123</b>	<b>162,225</b>	<b>282,108</b>
<b>Cash balance: beginning of the year</b>	<b>0</b>	<b>48,177</b>	<b>142,992</b>	<b>200,114</b>	<b>362,339</b>
<b>Cash balance: end of the year</b>	<b>48,177</b>	<b>142,992</b>	<b>200,114</b>	<b>362,339</b>	<b>644,447</b>

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### Investment and depreciation plan

Income statement

*planning years >>*

	2011 USD	2012 USD	2013 USD	2014 USD	2015 USD
<b>Investment</b>					
Land and building	100,000	0	0	0	0
Plant & Machinery	100,000	0	50,000	0	0
Motor vehicles	100,000	0	50,000	0	0
Furnitures	20,000	0	0	0	0
Computers	30,000	0	0	0	0
Working Capital	50,000	0	0	40,000	0
<b>Total investment</b>	<b>400,000</b>	<b>0</b>	<b>100,000</b>	<b>40,000</b>	<b>0</b>
<b>Fixed assets accumulated: at cost</b>	<b>400,000</b>	<b>400,000</b>	<b>500,000</b>	<b>540,000</b>	<b>540,000</b>
<b>Depreciation</b>					
1-Depreciation for Land and building	4,000	4,000	4,000	4,000	4,000
2-Depreciation for Plant & Machinery	10,000	10,000	15,000	15,000	15,000
3-Depreciation for Motor vehicles	5,000	5,000	7,500	7,500	7,500
4-Depreciation for Furnitures	1,000	1,000	1,000	1,000	1,000
5-Depreciation for Computers	10,000	10,000	10,000	0	0
6-Depreciation for Working Capital	5,000	5,000	5,000	9,000	9,000
<b>Total depreciation</b>	<b>35,000</b>	<b>35,000</b>	<b>42,500</b>	<b>36,500</b>	<b>36,500</b>
<b>Total depreciation accumulated</b>	<b>35,000</b>	<b>70,000</b>	<b>112,500</b>	<b>149,000</b>	<b>185,500</b>
<b>Net asset book value</b>	<b>365,000</b>	<b>330,000</b>	<b>387,500</b>	<b>391,000</b>	<b>354,500</b>

***Depreciation period: linear, in years***

Land and building	25
Plant & Machinery	10
Motor vehicles	20
Furnitures	20
Computers	3
Working Capital	10

**FLOOR SOLUTION IMPEX (T) CO. LIMITED**  
**Reconciliation of shareholders equity**

<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
	USD	USD	USD	USD	USD
Beginning shareholders equity	0	114,860	231,439	379,041	576,727
+ Net profit (or - loss)	-85,140	105,981	164,002	219,651	310,144
+ Equity contribution (or - withdrawal)	200,000	0	0	0	0
- Dividends paid	0	-10,598	-16,400	-21,965	-31,014
<b>Ending shareholders equity</b>	<b>114,860</b>	<b>231,439</b>	<b>379,041</b>	<b>576,727</b>	<b>855,857</b>
Additional reserves	0	0	0	0	0
Dividends paid	0	10,598	16,400	21,965	31,014
Retained earnings (or accumulated losses)	-85,140	95,383	147,602	197,686	279,130

**Calculation of income tax**

Income statement

<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
Net profit after extraordinary items	-85,140	114,913	234,289	313,788	443,063
Income tax rate	30%	30%	30%	30%	30%
Net loss carried forward	-85,140	0	0	0	0
Taxable income	0	29,773	234,289	313,788	443,063
Income tax	0	8,932	70,287	94,136	132,919

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### Financing plan

Income statement

	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
<b>Shareholders equity</b>						
Equity contribution (or withdrawal)		200,000	0	0	0	0
Share capital		200,000	200,000	200,000	200,000	200,000
<b>Long-term loans from bank</b>						
Loans drawn at the beginning of the year		300,000	0	0	0	0
Repayments made at the end of the year		0	30,000	30,000	30,000	30,000
Basis for interest calculation - end of year		300,000	300,000	270,000	240,000	210,000
Interest rate		11%	11%	11%	11%	11%
Interest expenses		33,000	33,000	29,700	26,400	23,100
Loan balance: year end (goes to balance sheet)		300,000	270,000	240,000	210,000	180,000
<b>Liquidity control</b>						
Operating costs		422,240	499,927	537,017	563,399	606,604
Minimum cash in relation to operating costs		10%	10%	10%	10%	10%
Minimum cash balance required (to be available at the end of the year)		42,224	49,993	53,702	56,340	60,660
Actual cash balance at the end of the year		48,177	142,992	200,114	362,339	644,447
<b>Dept to equity relation control</b>						
Dept to equity ratio - planned		██████████	1.4	0.7	0.4	0.2
Dept to equity ratio - acceptable by the bank		2.0	2.0	2.0	2.0	2.0
<b>Deposit of excess liquidity to a bank account</b>						
Amount deposited (at the end of the year)		0	0	0	0	0
Total amount deposited (per end of year) - basis for the interest calculation		0	0	0	0	0
Total amount deposited (per end of year) - basis for the balance sheet		0	0	0	0	0
Interest rate		0%	0%	0%	0%	0%

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### INTERNAL RATE OF RETURN

	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
NET CASHFLOW		48,177	-269,605	-73,461	152,215	405,780
DCF (20%)	0.2	0.833	0.694	0.482	0.233	0.054
<b>NPV AT (20%DCF)</b>		<b>40,147</b>	<b>-187,226</b>	<b>-35,427</b>	<b>35,400</b>	<b>21,948</b>
<b>Total NPV at 20% DCF</b>		<b>96,755</b>				
DCF(10%)	0.1	0.909	0.826	0.683	0.467	0.218
<b>NPV AT (10%DCF)</b>		<b>-32,138</b>	<b>-222,814</b>	<b>-55,192</b>	<b>103,963</b>	<b>251,990</b>
<b>Total NPV at 10% DCF</b>		<b>45,808</b>				
<b>IRR=</b>		<b><u>14.7217</u></b>				

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### PAY BACK PERIOD

	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
Profit After Tax		-85,140	105,981	164,002	219,651	310,144
Depreciation		35,000	35,000	42,500	36,500	36,500
Total		-50,140	140,981	206,502	256,151	346,644
Discounted Cashflow		-45,582	116,513	141,044	119,497	75,440
Capital Cost	400,000	0	100,000	40,000	0	0
Remaining amount		-445,582	-429,069	-328,025	-208,528	-133,088
<b>Pay Back Period</b>						<b><u>5</u></b>

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### BREAK EVEN ANALYSIS

	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
Sales Revenue		445,100	708,840	852,506	949,087	1,118,267
Variable Costs		422,240	499,927	537,017	563,399	606,604
Contribution Margin		22,860	208,913	315,489	385,688	511,663
Fixed Costs		400,000	400,000	500,000	540,000	540,000
Contribution Margin Ratio %		19.47	38.89	38.89	39.25	45.42
Beak even Sales		20,544	10,284	12,858	13,757	11,889
Break even Point (%)		0.22	0.69	0.66	0.69	0.94

## FLOOR SOLUTION IMPEX (T) CO. LIMITED

### Ratio summary sheet

	<i>planning years &gt;&gt;</i>	2011	2012	2013	2014	2015
<b>Liquidity ratios</b>						
Current ratio		4.3	9.0	11.1	17.9	27.9
Quick test ratio		4.2	8.9	11.0	17.7	27.7
<b>Efficiency ratios</b>						
Inventory turnover -days		3	3	3	3	3
Accounts receivable turnover -days		12	12	12	12	12
Accounts payable turnover -days		21	21	21	21	21
Fixed asset turnover		1.2	2.1	2.2	2.4	3.2
Total asset turnover		1.0	1.4	1.4	1.2	1.1
<b>Profitability ratios</b>						
Gross profit margin		41%	54%	58%	59%	62%
Net profit margin		-19%	15%	19%	23%	28%
Operating profit margin		5%	29%	37%	41%	46%
Return on assets		-20%	21%	27%	28%	30%
Return on equity		-74%	50%	46%	40%	37%
Dividend payout		0%	10%	10%	10%	10%
<b>Solvency ratios</b>						
Debt to equity ratio		2.7	1.4	0.7	0.4	0.2
Total assets to equity ratio		3.7	2.4	1.7	1.4	1.2
Total assets to total liabilities ratio		1.4	1.7	2.4	3.4	5.1
Capitalisation ratio		0.7	0.6	0.4	0.3	0.2
Interest coverage ratio		0.7	6.3	10.6	14.6	22.1

# ANNEXTURES



THE UNITED REPUBLIC OF TANZANIA

SCHEDULED

Form for Registration of Forest Produce

Dealers and Traders

(Rule 6)

00037373

The Forest Rules, 1995

CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer (Region) LANGA CATCHMENT FOREST OFFICE

Name of the dealer/trader (name) FLOOR SOLUTION

Dealing on business dealing with (the goods of forest produce) FURNITURE MART

and located at (address) SOA KABUKU / HANDENI

is hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.

This Certificate of Registration shall expire on 30 June 2012

Signed by F7RA CHOMOLA

Chief of Regional Forest Officer

(Signature)

Registration Certificate No. CC 54371 Region

Registration fee of Shs. 200,000/=

Exchequer Receipt No. 43972507 & 43973634

Date 24/09/11

The dealer/trader shall maintain a daily register of stock separately for the forest produce. The stock register shall be produced on demand before any senior forest officer. Failure to provide as provided in rule 6 of the Forest Rules, 1995 shall lead to cancellation of the registration.

SCHEDULE 2

Prescribed Fees for Registration of Forest Produce

(Rule 7)



Category of Dealer/Trader	Annual Fee in Shillings	Category of Dealer/Trader	Annual Fee in Shillings
Logs	100,000/=	Charcoal	50,000/=
Timber	100,000/=	Firewood	50,000/=
Poles	100,000/=	Other	20,000/=
Saw mill	200,000/=		

FURNITURE MART 200,000/=

REGIONAL FOREST OFFICE LANGA CATCHMENT FOREST OFFICE

(Signature)



THE UNITED REPUBLIC OF TANZANIA  
na Nyuki

na Nyuki  
S. L. P. 426  
DAR ES SALAAM

SCHEDULE D

Form for Registration of Forest Produce

Dealers and Traders

(Rule 6)

00029352

(The Forest Rules, 1995)

# CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer, (Region) FBD HQ DAR ES SALAAM  
Messrs.(name) FLOOR SOLUTION IMPEX (T) LTD.  
carrying on business dealing with (name/s of forest produce) EXPORT OF FOREST PRODUCE  
and located at (address) P.O. Box 78039  
DAR ES SALAAM

are hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.

This Certificate of Registration shall expire on 30<sup>th</sup> June, 2012  
Dated 01/11/2011 VINCENI-S. KADEGE (Signature)  
Name of Regional Forest Officer DAR ES SALAAM

Registration Certificate No. 00029352  
Registration fee of Shs. 405,000/=  
Vide Exchequer Receipt No. 43557869/43558016  
Dated 01/11/2011 FBD HQ Dsm. Region

- Note:
1. This Certificate holder shall maintain a daily register of stock separately for the forest produce concerned.
  2. The aforesaid stock register shall be produced when demanded before any Senior Forest Officer.
  3. Violation of the provisions of Rule 6 of the Forest Rules, 1995 shall lead to such action as might be prescribed under law.

## SCHEDULE E

### Prescribed Fees for Registration of Forest Produce Dealers/Traders

(Rule 7)

Category of Dealer/Trader	Annual Fee in Shillings	Category of Dealer/Trader	Annual Fee in Shillings
1. Logs	100,000/=	5. Charcoal	50,000/=
2. Timber	100,000/=	6. Firewood	50,000/=
3. Poles	100,000/=	7. Others	20,000/=
4. Saw mill	200,000/=		



THE UNITED REPUBLIC OF TANZANIA

SCHEDULE D

Form for Registration of Forest Produce

Dealers and Traders

(Rule 6)

(The Forest Rules, 1995)

OF FUKU TANGA

REG. MGR

lepp

REG. MGR. CATCHMENT FOREST MGR. TANGA 00037318

CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer, (Region) TANGA CATCHMENT F. OFFICE  
Messrs.(name) FLOOR SOLUTION IMPEX  
carrying on business dealing with (name/s of forest produce) LOGS  
and located at (address) P.O. BOX HANDEWI

are hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.

This Certificate of Registration shall expire on 30<sup>th</sup> June, 2012

Dated 12/10/11 G. N. M. HANE (Signature)  
Name of Regional Forest Officer

REG. MGR. CATCHMENT FOREST MGR. TANGA

Registration Certificate No. 00037318 Region TANGA

Registration fee of Shs. 200,000/=

Vide Exchequer Receipt No. 439683612 43970083

Dated 12/10/11

Note:

- 1. This Certificate holder shall maintain a daily register of stock separately for the forest produce concerned.
2. The aforesaid stock register shall be produced when demanded before any Senior Forest Officer.
3. Violation of the provisions of Rule 6 of the Forest Rules, 1995 shall lead to a sanction as might be prescribed under law.

SCHEDULE E

Prescribed Fees for Registration of Forest Produce Dealers/Traders

(Rule 7)

Table with 4 columns: Category of Dealer/Trader, Annual Fee in Shillings, Category of Dealer/Trader, Annual Fee in Shillings. Rows include Logs, Timber, Poles, Saw mill, Charcoal, Firewood, Others.



THE UNITED REPUBLIC OF TANZANIA

SIL'  
EMEKE

SCHEDULE D

Form for Registration of Forest Produce  
Dealers and Traders

(Rule 6)

00048479

(The Forest Rules, 1995)



SIL'  
EMEKE

CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer (Region) TEMEKE D. SALAM  
Messrs.(name) F. Solution Impex (T) LTD  
carrying on business dealing with (name/s of forest produce) TIMBER TARA  
located at (address) KARIAKUSO D.S.M

hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.  
This Certificate of Registration shall expire on 30<sup>th</sup> June 2012  
Dated 29/11/2011 A. KARLIA (Signature)

Registration Certificate No. 00048479  
Registration fee of Shs. 200 000  
Exchequer Receipt No. 41867581  
Dated 29/11/2011  
AFISA MALI ASIL' Region  
MANISPAA TEMEKE

- Note:
- 1. This Certificate holder shall maintain a daily register of stock separately for the forest produce concerned.
  - 2. The aforesaid stock register shall be produced when demanded before any Senior Forest Officer.
  - 3. Violation of the provisions of Rule 6 of the Forest Rules, 1995 shall lead to such action as might be prescribed under law.

SCHEDULE E

Prescribed Fees for Registration of Forest Produce Dealers/Traders

(Rule 7)

Category of Dealer/Trader	Annual Fee in Shillings	Category of Dealer/Trader	Annual Fee in Shillings
1. Logs	100,000/=	5. Charcoal	50,000/=
2. Timber	200,000/=	6. Firewood	50,000/=
3. Poles	100,000/=	7. Others	20,000/=
4. Saw mill	200,000/=		



THE UNITED REPUBLIC OF TANZANIA

na Nyuki

na Nyuki

S. L. P. 426

DAR ES SALAAM

SCHEDULE D

Form for Registration of Forest Produce

Dealers and Traders

(Rule 6)

00029352

(The Forest Rules, 1995)

CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer, (Region) FBD HQ DAR ES SALAAM  
 Messrs.(name) FLOOR SOLUTION IMPEX (T) LTD.  
 carrying on business dealing with (name/s of forest produce) EXPORT OF FOREST PRODUCE  
 and located at (address) P.O. Box 78039  
DAR ES SALAAM.

are hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.

This Certificate of Registration shall expire on 30<sup>th</sup> June, 2012  
 Dated 01/11/2011 VINCENT S. KADAGE (Signature)  
 Name of Regional Forest Officer DAR ES SALAAM

Registration Certificate No. 00029352  
 Registration fee of Shs. 405,000/=  
 Vide Exchequer Receipt No. 43557869/43558016  
 Dated 01/11/2011

- Note:
1. This Certificate holder shall maintain a daily register of stock separately for the forest produce concerned.
  2. The aforesaid stock register shall be produced when demanded before any Senior Forest Officer.
  3. Violation of the provisions of Rule 6 of the Forest Rules, 1995 shall lead to such action as might be prescribed under law.

SCHEDULE E

Prescribed Fees for Registration of Forest Produce Dealers/Traders

(Rule 7)

Category of Dealer/Trader	Annual Fee in Shillings	Category of Dealer/Trader	Annual Fee in Shillings
1. Logs	100,000/=	5. Charcoal	50,000/=
2. Timber	100,000/=	6. Firewood	50,000/=
3. Poles	100,000/=	7. Others	20,000/=
4. Saw mill	200,000/=		



THE UNITED REPUBLIC OF TANZANIA

SIL  
EKE

SCHEDULE D

Form for Registration of Forest Produce

Dealers and Traders

(Rule 6)

00048479

(The Forest Rules, 1995)



SIL  
EKE

CERTIFICATE OF REGISTRATION

Office of the Regional Forest Officer (Region) TEMEMEKE D. SALAM  
 Messrs.(name) F. Solution Impex (T) LTD  
 carrying on business dealing with (name/s of forest produce) TIMBER TARA  
 located at (address) KARIAKOO D.S.M

is hereby registered as forest produce dealer/trader under the provisions of Rule 6 of the Forest Rules, 1995.

This Certificate of Registration shall expire on 30<sup>th</sup> June, 2012  
 Dated 29/11/2011 A. KARLIA   
 Name of Regional Forest Officer (Signature)

Registration Certificate No. 00048479  
 Registration fee of Shs. 200 000  
 Exchequer Receipt No. 41867581  
 Dated 29/11/2011

D.S.M  
 AFISA MALI ASIL<sup>1</sup> Region  
 MANISPAA TEMEKE

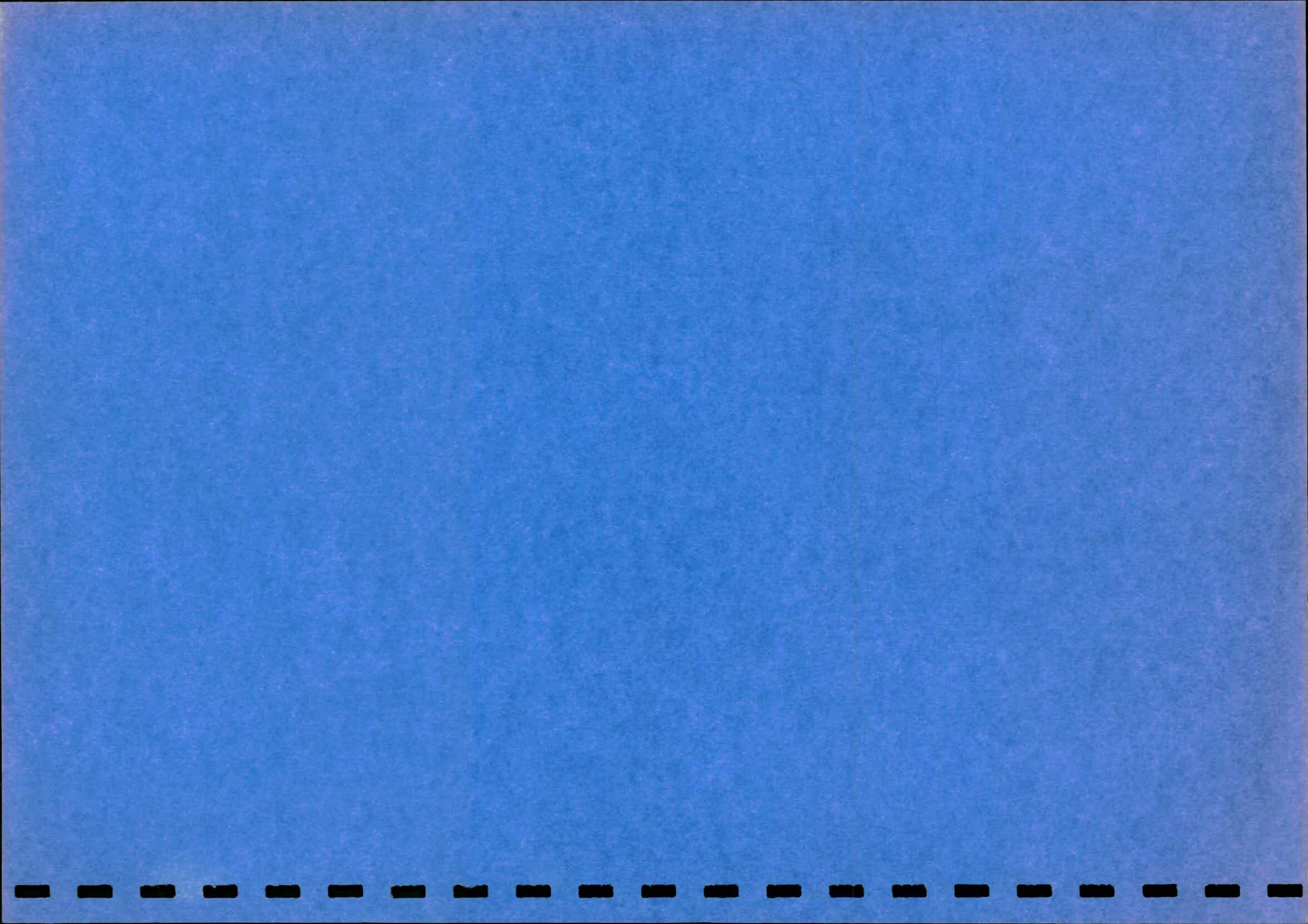
Note:  
 This Certificate holder shall maintain a daily register of stock separately for the forest produce concerned.  
 The aforesaid stock register shall be produced when demanded before any Senior Forest Officer.  
 Violation of the provisions of Rule 6 of the Forest Rules, 1995 shall lead to such action as might be prescribed under law.

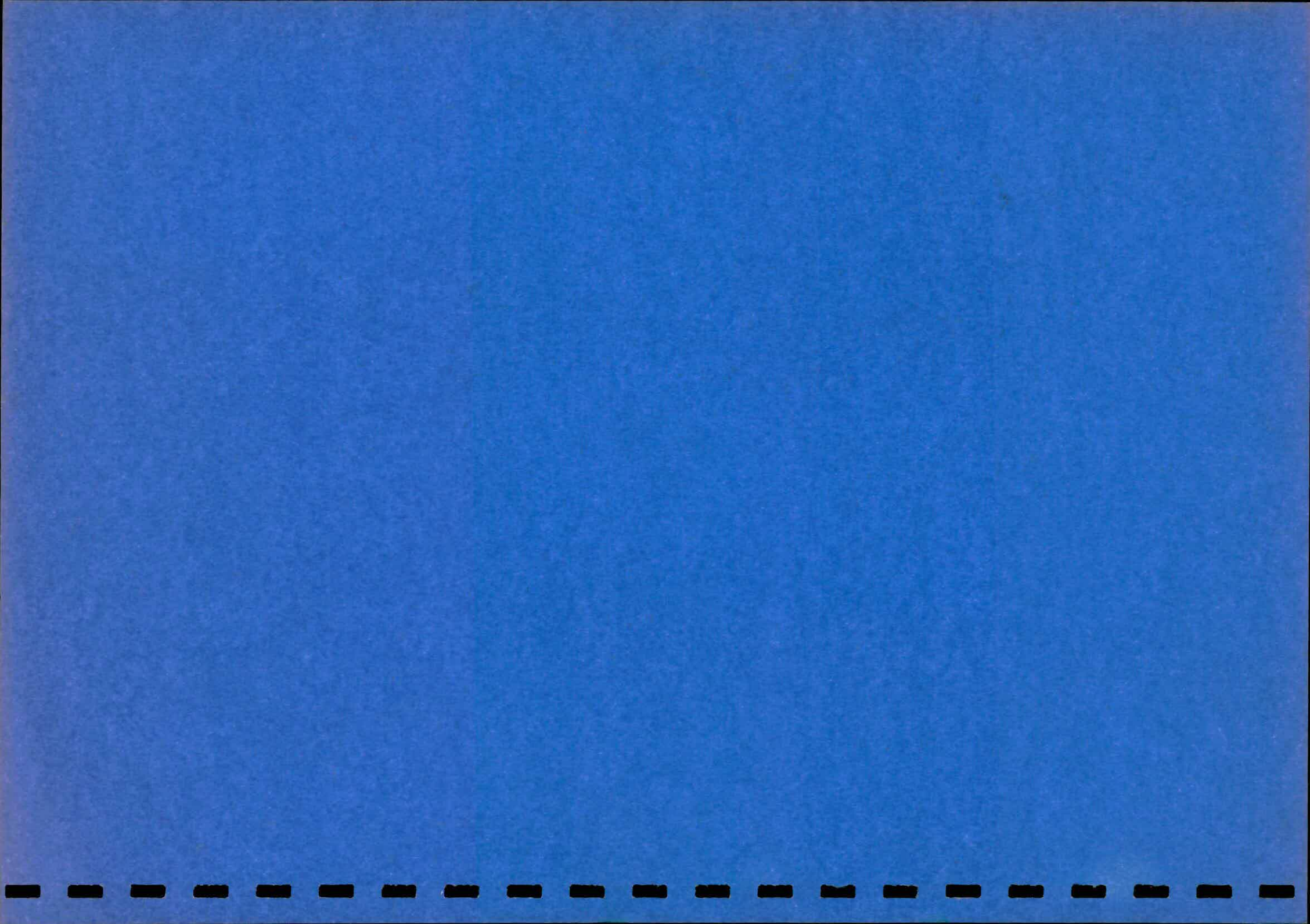
SCHEDULE E

Prescribed Fees for Registration of Forest Produce Dealers/Traders

(Rule 7)

Category of Dealer/Trader	Annual Fee in Shillings	Category of Dealer/Trader	Annual Fee in Shillings
1. Logs	100,000/=	5. Charcoal	50,000/=
2. Timber	<u>200,000/=</u>	6. Firewood	50,000/=
3. Poles	100,000/=	7. Others	20,000/=
4. Saw mill	200,000/=		





**THE COMPANIES ACT 2002**

**COMPANY LIMITED BY SHARES**

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**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**FLOOR SOLUTION IMPEX (T) CO. LIMITED**

**DRAWN BY:**

MASHIKU & CO. ADVOCATES,  
SIDO SMALL BUSINESS HOUSE,  
ROOM NO. 20 "B", 2<sup>nd</sup> FLOOR,  
BIBI TITI MOHAMED ROAD,  
P.O.BOX 76916,  
**DAR ES SALAAM.**

THE UNITED REPUBLIC OF TANZANIA

*Certificate of Incorporation*

NO \_\_\_\_\_

I HEREBY CERTIFY THAT

**FLOOR SOLUTION IMPEX (T) CO. LIMITED**

Is this incorporate under the Company act 2002 and that the Company is Limited

GIVEN under hand at Dar es Salaam this \_\_\_\_\_ day of \_\_\_\_\_ 2011

*Registrar of Companies.*

TANZANIA  
Stamp Duty Sub. 5000/2  
PAID ON ORIGINAL  
Receipt No. 18555 of 14/09/2011  
Stamp Duty Sub.

COMPANY LIMITED BY SHARES  
MEMORANDUM OF ASSOCIATION  
OF

TANZANIA  
Stamp Duty Sub. 2500/2  
Receipt No. 18555 of 14/09/2011  
Stamp Duty Sub.

FLOOR SOLUTION IMPEX (T) CO. LIMITED.

1. The name of the Company is **FLOOR SOLUTION IMPEX (T) CO. LIMITED**
2. The registered office of the Company is established in the united republic of Tanzania
3. The objects for which the Company is established are:
  - (a) To carry on the business of timber and timber products, agriculture, fish and fish products, export of forest products, farming all kinds of crops, sellers, importers, exporters, of all types of crops, goods, processor of farm produce, grain milling, juice extraction and canning, bottling, oil extraction, refining, packing and preserving, product stock or animal and feeds, poultry feeds, cultivate all types of crops and export agricultural produce, cash crops, engage in agricultural, consultancy, initiate projects, after managerial services and performance evaluation, all agricultural projects and ranching and animal husbandry, and all farm implements, tractors, chemicals, cars all required spare parts, and all allied agro marketing businesses and all general merchandise.
  - (b) To carry on the business of timber products, export of timber products, engage in and carry on the business of timber, dealers, buyers, sellers, importers of all types of timber, processors of timber products wood products i.e domestic furnishing, school desks, office furnishers, utilizing timbers in general timber.
  - (c) To carry on the business as building contractors innovators, building planners, decorators and cleaners of building, erections of dwellings, passages roads, parks and playgrounds, to carry on the business of fumigation services, aerial spraying and fumigation chemical and services, management services and commission agent of pharmaceutical industries, agrochemical pesticides, agro vet companies, laboratory chemical and equipment manufacturing companies both wholesale and retail business. To import and export agrochemicals, pesticides, fumigation equipment, protective gear equipment and laboratory chemicals.

- (d) To carry on the business of sanitary services, super cleaners, remove treatment of, and or garbage collectors, sewage and drainage systems contractors, rural, urban and community centers cleaners, landscapers to professional sanitary services contractors, fumigation agents, renovators, general maintenance and decorators in governmental departments, offices, companies, public or private institutions, individuals and any other organizations.
- (e) To carry on the business as merchants, manufactures, importers, buyers and sellers of and dealers I merchandise of all description, including metals, machinery plant, tools and metal goods generally, cement, cotton, wool, worsted, silk, flax, hemp, jute, sisal, fibrous material, rubber sponges, cloth, leather and leather goods, furniture, electrical goods, ivory jewelers, gold, silver, precious stones and games, skins, foods, provisions, wood and timber, household goods and fittings, waste goods, and generally any or goods of any kinds, whether manufactured or not.
- (f) To carry on the business traders, general store keepers, universal providers suppliers, general merchants stockists, wholesalers, retailers and dealers in all types of food stuffs, cooking oils, cosmetics, agricultural machinery, implements, equipments, equipment spare parts, tire tubes, and accessories for all types of automotive, motor vehicles, and kinds of industrial projects machinery and equipment, building materials, hardware, timber, electrical goods, fishing gears, grocers, textiles piece goods, all types of leather goods, shoes, bags, and other similar goods.
- (g) To engage in the business as importers and distributors of communication equipments, radio sets, video and television sets, computers, electronic goods, office and educational equipment and apparatus, musical instrument accessories, hardware and software of all kinds whatsoever. To carry on business and trade and engage in sales, service, installation and maintenance , repair of communication and lighting system, computer and all types of electronics whatsoever, to engage in the business as electronic, electrical mechanical and civil engineering firm and to render consultancy and training services and prepare feasibility studies for same.
- (h) To be trade marks agents, mining agents, commission agents, debts collectors and to be general brokers and brokerage.
- (i) To carry on business as insurance brokers and agents underwriting in all classes of insurance and as insurance advisors, pension advisors and consultant assessors, surveyors and average adjusters and mortgage

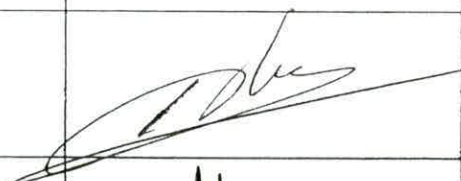

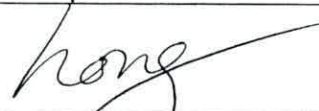
brokers and to undertake the provision of hire purchase and credit sale finance.

- (j) To payout funds of the company all expenses of all incidental to its formation and registration, and remunerate any person or company either in cash or by the allotment of shares credited as full of partly paid, for services rendered in information of the company's as full of partly paid for services rendered in information of the company's capital or in or about the promotion of the company of the conduct of its business.
- (k) To draw, make accept, endorse, discount, execute and issue promissory notes, bills of exchange, debentures and other negotiable or transferable instruments.
- (l) To sell improve, develop, lease, mortgage or dispose of the whole or any portion of the property and rights of the company.
- (m) To do all such moneys of the company not immediately required in any manner.
- (n) To do all such other things as may be conclusive or incidental to the attainment of the above object.
- (o) To do all such other things in any part of the world, and as principals, agents contractors, trustees or otherwise and by or through trustees, agents, managing agents, or otherwise, and whether alone or conjunction with other.
- (p) To do general trading.

**And it is hereby declared that:**

- (a) The word "**Company**" in this clause, except where used in reference to this company, shall be demanded to include any partnership or other body of persons, whatever corporate, and whether domiciled in the united republic of Tanzania or elsewhere, and.
  - (b) The objects specified in each of paragraphs of these clauses above 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 from the terms of any other paragraph or the name of the company but may be carried out in as full and ample a manner constructed in as wide a sense as if each of the said paragraphs defined the objects of a separate and distinct company.
  - (c) The meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generic with any particular word in the same paragraph.
4. The liability of the members is limited.
  5. The capital of the company is Shs.10,000,000/= divided into 5000 shares of Shs.2000/= each. The company shall have powers to increase its capital and divided the shares in its capital for the time being into several classes of stock 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 below 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 shares in the capital of the company set opposite our respective names.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES
CHEA SANG HOK HS. No. 486, NATIONAL RD 5, PHNOMPENH CAMBODIA	40	
MECKY FRANCIS MZIRAY P.O.BOX 78039, DAR ES SALAAM	30	
KIM HONG HS. No. 486, NATIONAL RD 5, PHNOMPENH CAMBODIA	30	

DATED AT DAR ES SALAAM THIS 26<sup>th</sup> DAY OF August 2011.

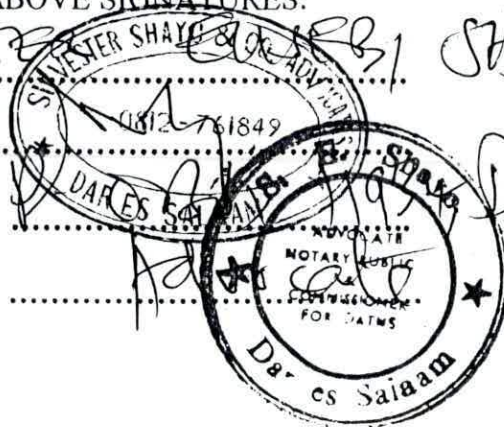
WITNESS TO THE ABOVE SIGNATURES:

NAME: Sylvester Shayo & Co. RB1 SHAYO

SIGNATURE: 

POSTAL ADDRESS: Dar es Salaam

QUALIFICATIONS: Notary Public



Dar es Salaam

TANZANIA

Stamp Duty Shs. 5000/-

PAID ON ORIGINAL

Receipt No. 1855 of 14/09/201

Stamp Duty Value

2500/-  
1855 of 14/09/201  
5/1581  
[Signature]

THE COMPANY ACT 2002  
COMPANY LIMITED BY SHARES  
ARTICLES OF ASSOCIATION OF  
FLOOR SOLUTION IMPEX (T) Co. LIMITED

PRELIMINARY

1. In these regulation:  
"The act" mean the companies act 2002 of the laws of Tanzania.  
When any provision of act is referred to, the reference is that provision is as modified by any law for time being in force.

Unless the context otherwise requires, the expressions define in the act any statutory modification there of in the force at the date which these regulations become binding on the company, shall have the meaning so defined.

Any words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include females, and the words importing cooperatives, societies, ect.

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

**PRIVATE COMPANY**

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

## TRANSFER OF SHARES

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

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

## 5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDING OF THE GENERAL MEETINGS.

The regulation of companies act shall apply to the following variations:

- (a) a general meeting, ordinary or extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.

- (b) To members, present either personally or proxy shall form a quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the directors and of the members of the company holding three – fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

#### 6. DIRECTORS

- (a) Until otherwise determined by the company in general meeting the directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be first directors of the company:
  - 1. CHEA SANG HOK
  - 2. MECKY FRANCIS MZIRAY
  - 3. KIM HONG
- 7. The shareholding qualification for directors may be fixed by the company in general meeting, and unless and until so fixed no qualification shall be required.
- 8. The quorum of directors for transaction business shall, unless otherwise fixed by the directors, be three.
- 9. A resolution in writing signed by all the directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting or directors duly called and constituted.
- 10. The directors may from time to time borrow or raise any money for the purpose of the company which may exceed the issued shared capital other company.

#### BORROWING POWER

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

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

#### VOTE OF MEMBERS

- 12. On a show of hands every member present in persons shall have one vote. On a roll every member shall have one vote only for shares of which he is holder.

13. no member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the company have been paid.

#### **DISQUALIFICATION OF DIRECTORS.**

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

#### **SEAL**

15. The directors shall provide for the safe custody of the seal. The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the board of directors and in the presence of at least two directors or a director and secretary or other person as a foresaid shall sign every instrument to which the seal of the company is so affixed in their presence.

#### **ALTERNATE DIRECTORS**

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

#### **SECRETARY**

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

#### **WINDING UP**

19. with the sanction of a special resolution of the shareholders any part of the assets of the company including any shares in other companies may be divided

between the members of the company in special or may be vested in trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

#### **ALTERNATION OR ADDITION**



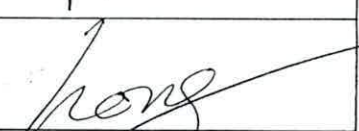
20. Subject to the provisions of the act and those contained in the memorandum of association the company may be special make alteration in those articles and be subject in like manner to alteration by special resolution.

#### **INDEMNITY**

21. every director, managing director, auditor, secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whatever civil or criminal in which judgment is given in his favor or in which he is acquitted or is in connection with any application in which relief is granted to him by the court.

#### **ARBITRATION**

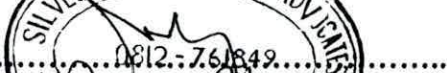
22. If and whenever any dispute or difference shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any of the articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the right or liabilities arising here under or arising out of the relation by the first two or, in the event of failure to agree within (cap. 15) or any ten existing statutory modifications or reenactment thereof shall apply.

NAME, ADDRESS AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES
CHEA SANG HOK HS. No. 486, NATIONAL RD5, PHNOMPENH CAMBODIA	40	
MECKY FRANCIS MZIRAY P.O.BOX 78039, DAR ES SALAAM	30	
KIM HONG HS. No. 486, NATIONAL RD 5, PHNOMPENH CAMBODIA	30	

DATED AT DAR ES SALAAM THIS 26<sup>th</sup> DAY OF August 2011.

WITNESS TO THE ABOVE SIGNATURES:

NAME: SILVESTER DABYO & CO. ADVISERS STAGYO

SIGNATURE: 

POSTAL ADDRESS: Dar es Salaam, Dar es Salaam

QUALIFICATIONS: ADVOCATE



CTIN.: 0437122



# TANZANIA REVENUE AUTHORITY

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

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

**THIS IS TO CERTIFY THAT**

FLOOR SOLUTION IMPEX (T) LIMITED

.....

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

114-306-207

.....

with effect from 15-Aug-2011

.....



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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



**INTERNATIONAL COMMERCIAL BANK (TANZANIA) LIMITED**

1st Floor, Jamhuri Street/Morogoro Road, Dar es Salaam, Tanzania  
Tel: +255 22 2134 989 Fax: +255 222 2134 286

**Our Ref: ICB/HQ/2011/38C**

The Executive Director  
Tanzania Investment Centre  
P.O. Box 936  
Dar es Salaam

**RE: CERTIFICATION LETTER**

Please refer to the above captioned subject.

We hereby write to certify to you and confirm the **FLOOR SOLUTION IMPEX (T) LTD.**  
Our customer maintaining account with our Bank, operation of the account is to our satisfaction.

Kindly accord with all necessary assistance.

However, this Certificate is issued without any attestation or any obligation of the part of the Bank.

Yours faithfully

Name: V.K. Mohandas  
Senior Operations Manager

# FLOOR SOLUTIONS IMPEX (T) CO. LIMITED

## BOARD RESOLUTION

*Special Meeting of the Directors Held On 21<sup>st</sup> November, 2011 at the Company's Head office,  
Dar es Salaam*

**Attendance:** 1. CHEA SANG HOK - Director (Chairman)  
2. MECKY FRANCIS MZIRAY - Director (Secretary)  
3. KIM HONG - Director (Member)

**Agenda:** 1. *Opening of the meeting*  
2. *Applying for Certificate of Incentives at the TIC*  
3. *Closing of the meeting*

**Min.1.0** *The meeting was opened by the Chairman at 10.00 pm by introducing the agenda.*

**Min.2.0** *Application for Certificate of Incentives from TIC:*

*The Directors discussed on the establishment of a Wood Processing and Manufacturing project with the aim of producing quality and standard wood products to be established in Handeni- Tanga region in Tanzania in the name of FLOOR SOLUTIONS IMPEX (T) CO. LIMITED. The project requires considerable resources for its project set up and operation. Board members agreed that every measure must be taken to maximize cost efficiency of the project investment.*

### **Resolution:**

*A resolution was passed to the effect that the company must apply for a Certificate of Incentives from the Tanzania Investment Centre, to enable it enjoy the investment incentives prescribed by Tanzania Investment Act of 1997. The Chairman and Director resolved to pursue the application process of the TIC Certificate of Incentives as soon as possible.*

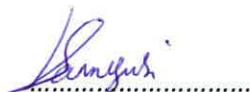
**Min.3.0** **Closing of the Meeting:**

*The meeting was closed at 11.15 a.m. by the Chairman.*



.....  
**CHAIRMAN (DIRECTOR)**

**Date: 21/11/2011**



.....  
**SECRETARY**

TANZANIA



## Certificate of Incorporation

Section 15

No 86265

I HEREBY CERTIFY THAT

**FLOOR SOLUTION IMPEX (T) CO.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 4TH day of SEPTEMBER**TWO THOUSAND AND ELEVEN.**

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

*Asst. Registrar of Companies*



# 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 MECKY FRANCIS MZIRAY  
(director/directors/agent of FLOOR SOLUTION IMPEX (T.) CO. LIMITED  
(name of business enterprise) apply for registration of TIC CERTIFICATE OF INCENTIVES  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at KABUKU VILLAGE,  
HANDENI DISTRICT - TANGA

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 KABUKU VILLAGE, HANDENI
4. The Principal Officers of the Company are 1. CHEA SANG HOK  
2. MECKY FRANCIS MZIRAY  
3. KIM HONG
5. Auditors of the Company are .....
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ ..... 540,000 .....
8. The month and day of the financial year end is ..... 31<sup>ST</sup> DECEMBER .....

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

I/We enclose a cheque/<sup>DEPOSIT</sup>cash made payable to the Tanzania Investment Centre for Tshs./US\$ 165,000/= ..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, MECKY F. MZIRAY ..... of Post Office Number 78039, DAR ES.....

SALAAM ..... do solemnly and sincerely declare that I am a director/duty authorized agent of FLOOR SOLUTION IMPEX (T) CO. 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 3<sup>rd</sup> day of DECEMBER 2011 }

  
 Applicant

Before me:

.....  
 Commissioner for Foreign Investments  
 ESTHER B. MMBAGA  
 ADVOCATE,  
 NOTARY PUBLIC  
 &  
 COMMISSIONER  
 FOR FOREIGN INVESTMENTS  
 DAR ES-SALAAM - TANZANIA

APPLICATION SUMMARY

Company Name: FLOOR SOLUTION IMPEX (T) CO. LIMITED

Certificate of Incorporation Number: 86265 Status: NEW

Certificate of Incorporation Date: 4TH SEPTEMBER, 2011

Post Box: 78039

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: WOOD PROCESSING AND MANUFACTURING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
540,000	-	-	-

Project Objectives: TO ESTABLISH A WOOD PROCESSING AND MANUFACTURING FACILITY.

Capacity:

Employment: Foreign: 2 Local: 29 Total: 31

Implementation Period: 3 YRS.

Project Location

Site/Plot/Block No.: KABUKU VILLAGE

Street: KABUKU VILLAGE District: HANDENI Region: TANGA (Attach sketch map showing project location)

Shareholders	Nationality	%
1. CHEA SANG HOK	CAMBODIAN	40%
2. MECKY FRANCIS MZIRAY	TANZANIAN	30%
3. KIM HONG	CAMBODIAN	30%
/	/	/
/	/	/

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

Land/Building	..... 100,000 .....
Plant & Machinery	..... 150,000 .....
Vehicles	..... 150,000 .....
Furniture & Fittings	..... 20,000 .....
Pre-expenses	..... 30,000 .....
Others	..... - .....
Working Capital	..... 90,000 .....
<b>TOTAL</b>	..... <b>540,000</b> .....

**Contact Details:**

Name: <u>M.F. Mwaj F. MURRAY</u> .....	Title: <u>Director</u> .....
Telephone: <u>MOB: 0767-106260</u> .....	Fax: <u>-</u> .....
Email: <u>murraymurray@yahoo.com</u> .....	

**Payments to be made payable to:**

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

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

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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 MECKY FRANCIS MZIRAY  
(director/directors/agent of FLOOR SOLUTION IMPEX (T.) CO. LIMITED  
(name of business enterprise) apply for registration of TIC CERTIFICATE OF INCENTIVES  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
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2. MECKY FRANCIS MZIRAY  
3. KIM HONG
5. Auditors of the Company are .....
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ ..... 540,000 .....
8. The month and day of the financial year end is ..... 31<sup>ST</sup> DECEMBER .....

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

I/We enclose a cheque/<sup>DEPOSIT</sup>cash made payable to the Tanzania Investment Centre for Tshs./US\$ 165,000/- ..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, MECKY F. MZIRAY ..... of Post Office Number 78039, DAR ES .....

SALAAM ..... do solemnly and sincerely declare that I am a director/duly authorized agent of FLOOR SOLUTION IMPEX (T.) CO. 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 2<sup>nd</sup> day of DECEMBER 2011 }

  
 Applicant

Before me:

  
 ESTHER B. MMBAGA  
 ADVOCATE,  
 NOTARY PUBLIC  
 &  
 COMMISSIONER  
 FOR INVESTMENT  
 DAR ES-SALAAM - TANZANIA  
 Commissioner for Investment

APPLICATION SUMMARY

Company Name: FLOOR SOLUTION IMPEX (T) CO. LIMITED

Certificate of Incorporation Number: 86265 Status: NEW

Certificate of Incorporation Date: 4TH SEPTEMBER, 2011

Post Box: 78039

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: WOOD PROCESSING AND MANUFACTURING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
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Project Objectives: TO ESTABLISH A WOOD PROCESSING AND MANUFACTURING FACILITY.

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Street: KABUKU VILLAGE District: HANDENI Region: TANGA (Attach sketch map showing project location)

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3. KIM HONG	CAMBODIAN	30%
/	/	/

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

Land/Building	..... 100,000
Plant & Machinery	..... 150,000
Vehicles	..... 150,000
Furniture & Fittings	..... 20,000
Pre-expenses	..... 30,000
Others	..... -
Working Capital	..... 90,000
<b>TOTAL</b>	..... <b>540,000</b>

**Contact Details:**

Name: <u>Mercy F. MURRAY</u>	Title: <u>Director</u>
Telephone: <u>MOB: 0767-106260</u>	Fax: <u>-</u>
Email: <u>mercymurray@yahoo.com</u>	

**Payments to be made payable to:**

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



# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

(Tanzania Investment Act 1997, Section 17 and 18,  
and the Investment Regulations:  
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(No. 26 of 1997)

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(Made under Regulation 42)

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Declared at Dar es Salaam }  
 ..... }  
 The 3<sup>rd</sup> day of DECEMBER 2011 }

  
 Applicant

Before me:

  
 .....  
 Commissioner for Oaths

## APPLICATION SUMMARY

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Certificate of Incorporation Number: 86265 Status: NEW

Certificate of Incorporation Date: 4TH SEPTEMBER, 2011

Post Box: 78039

Town: DAR ES SALAAM

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Sub-Sector: WOOD PROCESSING  
AND MANUFACTURING

### Investment Financing Plan in Million US\$/Tsh.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>540,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Project Objectives: TO ESTABLISH A WOOD PROCESSING  
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(Attach sketch map showing project location)

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<u>2. MECKY FRANCIS MZIRAY</u>	<u>TANZANIAN</u>	<u>30%</u>
<u>3. KIM HONG</u>	<u>CAMBODIAN</u>	<u>30%</u>
<u>/</u>	<u>/</u>	<u>/</u>
<u>/</u>	<u>/</u>	<u>/</u>

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

Land/Building	..... 100,000
Plant & Machinery	..... 150,000
Vehicles	..... 150,000
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Pre-expenses	..... 30,000
Others	..... -
Working Capital	..... 90,000
<b>TOTAL</b>	..... <b>540,000</b>

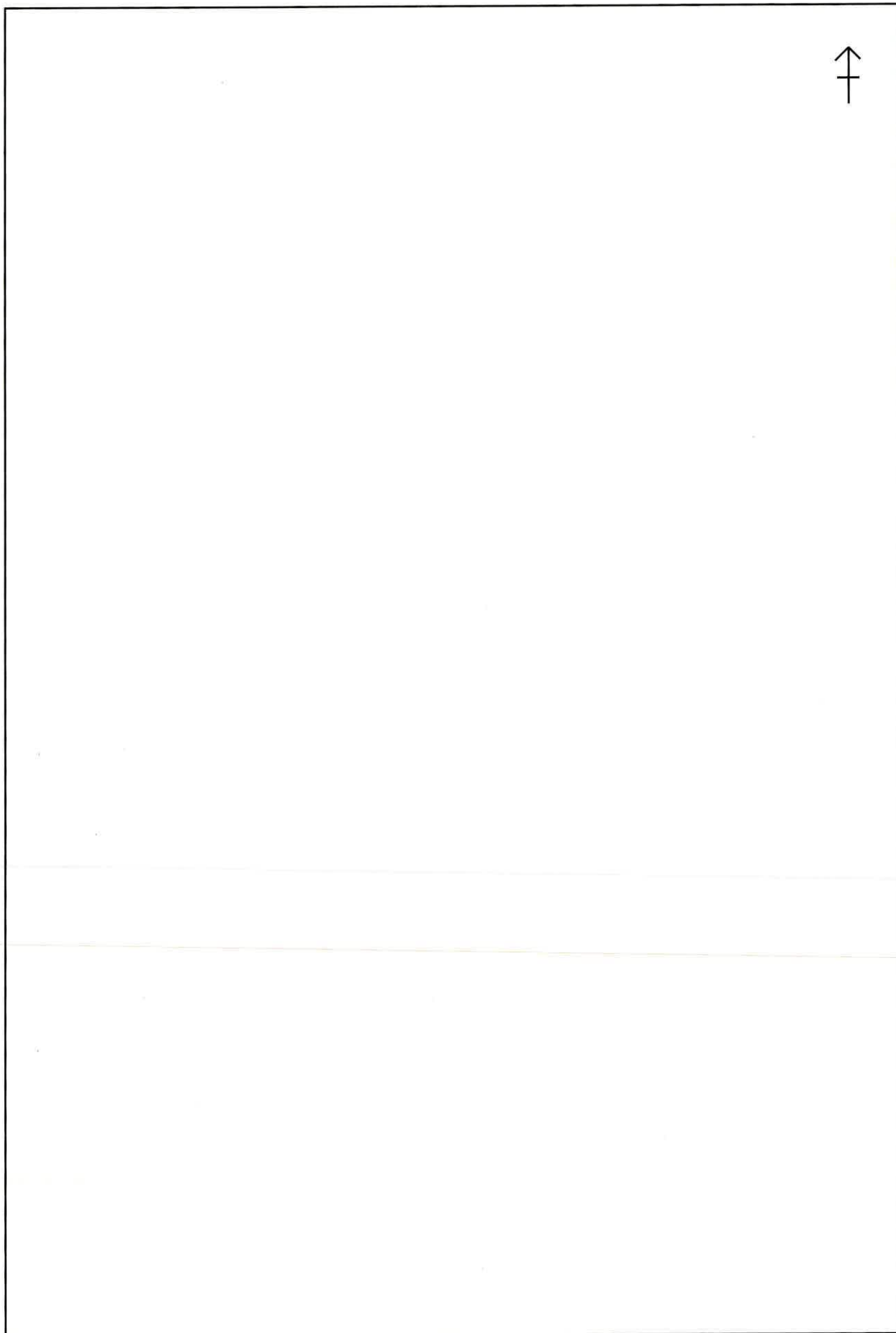
**Contact Details:**

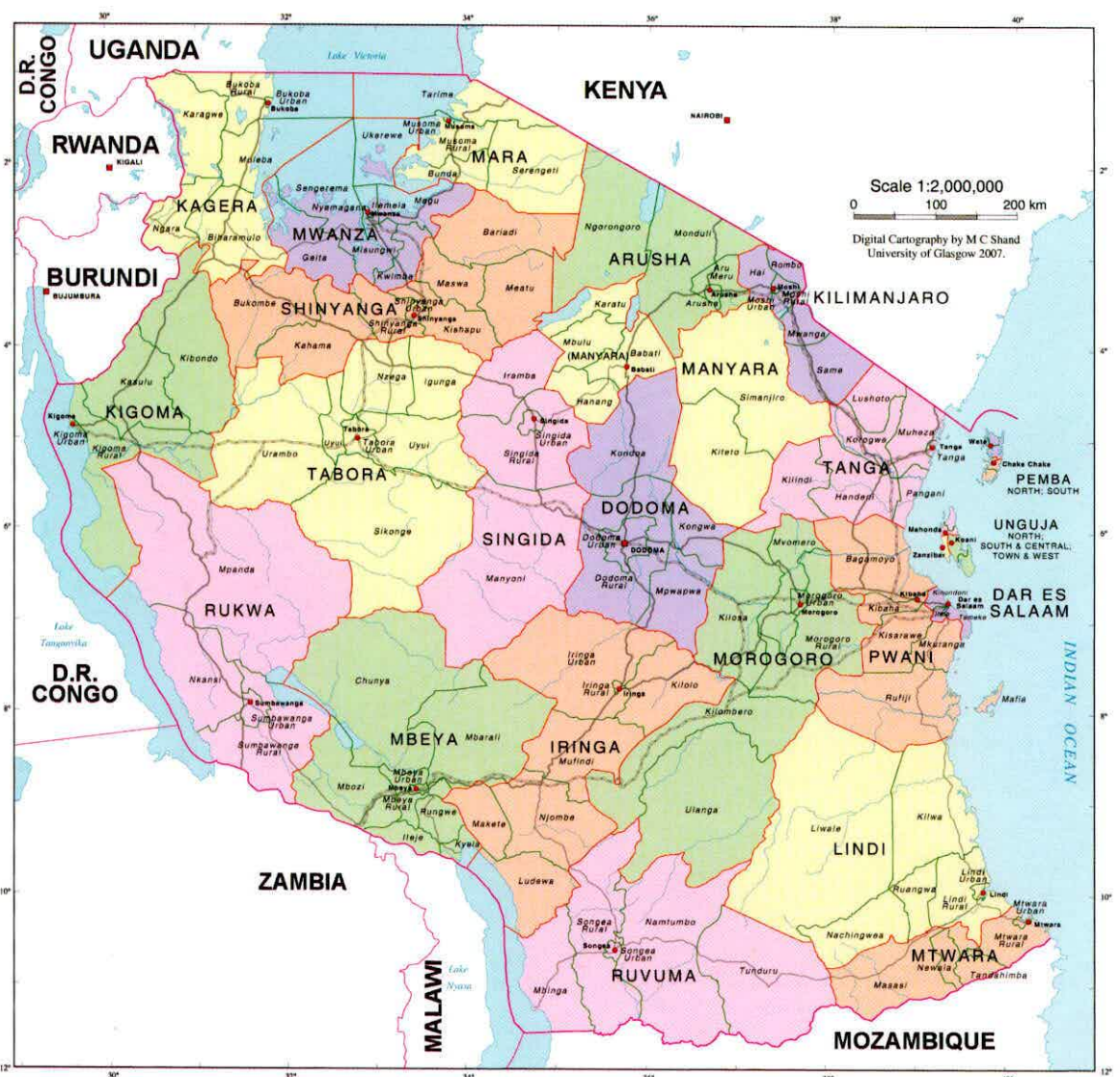
Name: MECLAY F. MURRAY	Title: Director
Telephone: MOB. 0767-106260	Fax: -
Email: meymurray@yahoo.com	

**Payments to be made payable to:**

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

**SKETCH MAP SHOWING PROJECT LOCATION**





TICC/PP.10/042138/3

15<sup>th</sup> December, 2011

Managing Director,  
Floor Solution Impex (T) Co. Ltd.,  
P.O. Box 78039,  
**DAR ES SALAAM**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF MANUFACTURING PLANT FOR WOODEN  
PRODUCTS**

We wish to acknowledge receipt of your project proposal of establishing a project for manufacturing of wooden products as presented in the TIC P.A. 1 Form No. 09715 and Feasibility Study with a projected investment of USD 0.54m.

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

- Certified document showing evidence of Land ownership for the location of the project.

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

.../2

TICC/PP.10/042138/3

15<sup>th</sup> December, 2011

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

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

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**

  
B.D. Chonjo

**FOR: EXECUTIVE DIRECTOR**

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

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

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



## TIC Evaluation Report

Name of the Company  
**Floor Solution Impex (T) Co. Ltd.**

Post Box	Kabuku Village, Handeni	COI Number	86265	Contact	Meckey F. Mziray
Post Office	78039, Dar Es Salaam	COI Date	09/04/2011	Designation	Director
Region	Tanga	Application F. No	09715	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0767 106 260
		Sub Sector	Wood Processing And Manufacturing	Fax	0
		File No	042138	E-Mail Address	Meckymziray@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Kabuku Village	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0.54</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.54	0	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0.54	0		0	0									
Street	Kabuku Village												
District	Handeni												
Region	Tanga												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Kim Hong	Cambodian	30	Plant	0.15
Mecky Francis Mziray	Tanzanian	30	Vehicles	0.15
Chea Sang Hok	Cambodian	40	Furniture & Fittings	0.02
			Pre-expenses	0.03
			Others	0
			Working Capital	0.09
			Total	0.54

Employment	31	Evaluated By	wf officer4
Capacity	xxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

### Description

To establish project for manufacturing of wooden products

### Recommendations

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

### Decision

Approved  
  
 Ag Ex D  
 13/12/11

# FLOOR SOLUTION IMPEX (T) CO. LIMITED

P.O. Box 78039  
DAR ES SALAAM

PHONE: +255 766 920 009

Ref. No: FL/APP/011//11

Date: 30<sup>th</sup> November, 2011

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



Dear Sir,

## RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

**FLOOR SOLUTION IMPEX (T) CO. LIMITED** is a private registered company located in Handeni, Tanga region. The company is looking forward to establish a well equipped wood processing and manufacturing plant with all necessities in Handeni respectively whereby the company has seen the potential for fine and quality wood in the Tanzanian market and for export.

The company also wishes to apply for a TIC Certificate of Incentives so as to benefit from the Investment Incentives prescribed by *Tanzania Investment Act of 1997* for the smooth implementation of the project operations.

We therefore request your good office to facilitate our project to enable us to fully implement our planned project to reach the expected international standards and also contribute to the growth of the manufacturing sector.

We look forward to your cooperation and support.

Yours sincerely,

Mecky F. Mziray  
**DIRECTOR**

## TENANCY AGREEMENT

THIS AGREEMENT made this 02<sup>nd</sup> day Sept 2011 between FATUMA MRUTU of kabuku village (Here in after called the "LAND LORD") of one side and FLOOR SOLUTION IMPLEX (T) CO. LTD of post office box 78039 Dar es Salaam (Here in after called the "TENANT") of the other side.

### IT IS HEREBY AGREED AS FOLLOWS:-

1. The Land lord shall let and the tenant shall take and occupy on lease basis House and open plot of 300 squaremeters at Kabuku Village, Handeni District within Tanga Region (here in after called as "LEASED PROPERTY") for a term of five years on monthly rental of Tsh.105, 000/= (ONE HUNDRED AND FIVE THOUSAND SHILLINGS ONLY) to be paid in advance of one year basis effective 02<sup>nd</sup> SEPT. 2011 subject to the following conditions:-

### 2. TENANTS OBLIGATIONS

- i) The tenant has paid Shs.1,260,000/= (ONE MILLION TWO HUNDRED AND SIXT THOUSAND SHILLINGS) as twelve months advance payment which landlord hereby acknowledges as having been received.
- ii) The lease is for a term of five years effective 02<sup>nd</sup> Sept. 2011 with option for renewal by both parties;
- iii) To pay for electricity, water and telephone charge which the tenant may use during lease period.
- iv) Not to use the leased property other than for office /factory purpose only.
- v) To allow the landlord or his duly authorized representative at all reasonable times to enter the leased property and inspect same.
- vi) At all times keep the leased property and adjacent environment neat clean to the satisfaction of the landlord.
- vii) Not to assign or otherwise dispose of the leased property or any part thereof without the written consent of the landlord first had and obtained proved the occupation of the leased property by an employee or person

Certified as a True copy of the Original

M. M. J. LUGUR

Advocate, Notary Public

Commissioned by the State

in the service of the tenant whether or not such person pays any rent to the tenant shall not constitute a breach of this covenant.

- viii) On determination of the tenancy to deliver up the leased property in as good as tenantable repair and condition as may be formulated from time to time and signed for on behalf of the parties hereto fair, wear and tear and damage by fire excepted.
- ix) Not to do suffer to be done in or upon the leased property or any part there of anything in the opinion of the landlord may at any time be or become a nuisance or annoyance to neighbors
- x) Not to do suffer to be done any damage to the leased properties.
- xi) Not without the previous written consent of the landlord first had and obtained to make or suffer to be made any alterations to the leased property or remove or suffer to be removed any partitions, doors or cupboards or any other fixtures or fittings that may be contained therein or add or suffer to be added any fixtures or fittings therein and not to cut, main or injure any of floors, walls, timbers or roofs thereof and not to alter or interfere with any plumbing or electrical systems.
- xii) If the tenant shall be desirous of taking a new lease of the said House and open Plot after the expiration of the term hereby granted and of the such its desire shall deliver to the landlord a notice in writing not less than one months before the expiration of the said term

3. THE LANDLORD HEREBY agree with the tenant as follows:-

- i) To pay all existing and future land rent and service charges, taxes, rates and outgoing which may be imposed on the leased property.
- ii) At all time to keep the leased property including all fixtures and fittings in good substantial repair and condition PROVIDED this shall not apply in case of any damage negligently caused by the tenant or his employees.
- iii) To allow the tenant so long as the rent hereby reserved and covenants and conditions herein contained on the part of the tenant are duly paid and performed peacefully and quietly to hold, possess and occupy the leased





00218303

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042138

## This is to certify that

FLOOR SOLUTION IMPEX (T) CO. LTD

of address P.O. BOX 78039

DAR ES SALAAM

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

FLOOR SOLUTION IMPEX (T) CO. LTD

Which is located at KABUKU VILLAGE HANDENI

TANGA

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

  
Executive Director

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

Dated ...23RD..DECEMBER,..2011.....



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

1. Shareholders  
Kim Hong ..... Nationality ..... Cambodian ..... Shareholding (%) ..... 30  
Mecky Francis Mziray ..... Tanzanian ..... 30  
Chea Sang Hok ..... Cambodian ..... 40  
.....  
.....
2. Proposed Activities : ..... To establish project for manufacturing of .....  
..... wooden products .....
3. Sector: ..... Manufacturing ..... Subsector ..... Wood Processing and .....  
..... manufacturing .....
4. Investment cost: Foreign USD 0.54m. .... Local USD 0m. .... Total USD 0.54m. ....
5. Project Financing:  
Equity USD 0.54m. .... Loans USD 0m. .... Total USD 0.54m. ....
6. Source, terms and conditions of loan ..... none .....
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	USD 0.54m.	USD 0m.	USD 0.54m.
8. Technology Agreement ..... none .....
9. Date of TIC Registration: ..... 15th December, 2011 .....
10. Implementation period ..... December, 2011 - November, 2014 .....
11. Operative date ..... December, 2014 .....
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997  
(i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997  
(ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)  
(iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives  
(i) Date of Commencement of investment has to be notified to the Centre.  
(ii) Certificate not to be transferred, assigned or amended  
(iii) Failure to commence implementation within two years invalidates Certificate  
(iv) Failure to operate investment must be notified to the Centre  
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate  
None.

Signed   
Executive Director