



PINNACLE CONSTRUCTION  
LONDON LTD LTD

# MINUTE SHEET

Dokezo  
No. 1.0

**EXD** 

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


(a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 2.739m.....

(b) Legal entity has been incorporated under certificate

No. 86870..... of 28/10/2013.....

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

Submitted for signature.



N. Senzia

**DIF**

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

2.0  
**EXD** 

In response to the TIC letter of registration dated 10<sup>th</sup> June 2013.....

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Stabic Bank LTD.....

(c) Lease Agreement as evidence of land.....

With the above submission EXD is requested to sign Certificate of Incentives No. 042429..... herein attached.

18/06/2013

  
DIF

# MINUTE SHEET

Dokezo  
No. 30

DIF

The company has requested refund of the money amounting to us\$ 1000 which was paid using TIC receipt no. 011629 dated 10 Dec 2014, the payment was paid to TIC erroneously, I recommend refund to be made

150 ~~USD~~

40 AGDAF


Please be needful as per recommended in  
M<sub>3</sub>

30/09/2015

  
DIF

41 Acate m 39-40

Please verify and process payment accordingly

  
2/10/15

①

**PINNACLE CONSTRUCTIONS (T) LTD**  
PHONE: +255 784 439296, P.O. BOX 718 MWANZA  
Email: pinconstructions@gmail.com

The Executive Director,  
Tanzania Investment Centre,  
P.O. Box 938,  
Dar es salaam.  
TANZANIA.

Date: May 25, 2013



Dear Sir,

**RE: LIGHT FRAME MANUFACTURING PROJECT.**

We are in the process of establishing manufacturing facility for Light Frame Steel products, at Plot No. 51, Block M, Pasiansi - Mwanza City Region. The company will import roll form machinery, and sheet steel for the purpose of making roof truss materials, ceiling battens and color bond roof sheeting. All manufacturing together with engineering and construction method will comply with Australian and Tanzanian standards.

It is due to this reason that we kindly submit our application for TIC Certificate of Incentives to facilitate smooth implementation of our project.

Attached herewith please find the following basic documents for your perusal and necessary action:

1. One (1) duly completed and signed Application Form for TIC Certificate.
2. A certified copy of our Certificate of Incorporation
3. A certified copy of the company's Memorandum and Articles of Association
4. Evidence of Land Ownership for Project Location (Certified copy of Certificate of Occupancy).
5. Lease Agreement in respect of project site
6. A letter of credibility from our Banker.
7. Company Board Resolution to register with TIC
8. A copy of our Business Plan.
9. Overall covering letter

Thanking you for your kind consideration

Yours' sincerely,

Allan Hadwiger.  
DIRECTOR  
PINNACLE CONSTRUCTIONS COMPANY LIMITED.

Date: May 25 , 2013

**EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND  
SHAREHOLDERS OF  
PINNACLE CONSTRUCTION COMPANY LIMITED.**

Present:

- |                             |                      |
|-----------------------------|----------------------|
| 1. Allan W. Hadwiger        | Chairman / Director  |
| 2. Lucy G. Hadwiger         | Secretary / Director |
| 3. Emmanuel Martin Mugarula | Director             |

At a duly convened and constituted meeting of the board of directors of Pinnacle Constuction Company Limited held at the temporary registered offices of the company at Seif Plaza, 5th Floor room number 6 , on the 4th day of March 2013, the following resolutions were passed:

1. We are in the process of establishing manufacturing facility for Light Frame Steel products, at Plot No. 51, Block M, Pasiansi - Mwanza City Region.
2. That funds amounting to US\$ **2,739,300** be raised by shareholders to facilitate implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified True Extract  
(By order of the Board)



Chairman



Secretary

**THE COMPANIES ACT (CAP 212 R.E 2002)**

**COMPANY LIMITED BY SHARES**

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**OF**

**PINNACLE CONSTRUCTIONS(T) LIMITED**

Incorporated this .....day of.....2010.

**DRAWN BY:**  
**F.S.Kinabo & Co.**  
**Advocates,**  
**P. O. Box 825,**  
**ARUSHA, TANZANIA.**

THE COMPANIES ACT (CAP. 212 R.E 2002)

COMPANY LIMITED BY SHARES  
MEMORANDUM AND ARTICLES OF ASSOCIATION  
OF  
PINNACLE CONSTRUCTIONS(T) LIMITED

5000/-  
1965/26-10-20

2500/-  
1965/26-10-20

1. The name of the Company is PINNACLE CONSTRUCTIONS(T) LIMITED.
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:
  - (a) To build, construct, reconstruct, alter, improve, decorate, furnish and maintain houses, flats and apartments and to carry on business of proprietors of houses, flats and apartments and to let the same on lease or otherwise, and to provide for the tenants and occupiers thereof all or any of the conveniences commonly provided in hotels or clubs.
  - (b) To acquire, build, construct, maintain, alter, enlarge, pull down and remove or replace any buildings, factories, mills, offices, works, roads, railways, tramways, engines, walls, fences, banks, dams, sluices or water-courses, to clear sites for the same, and to join with any person, firm or company in doing any of the same things aforesaid, and to work, manage and control the same or to join with others in so doing.
  - (c) To carry on any business in chemicals, medicines, and other chemical products of whatever description and to buy, sell or

3

TICC/PP.10/042459/3

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

Managing Director,  
Pinnacle Constructions (T) Ltd.,  
P.O. Box 718,  
**MWANZA.**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE  
ESTABLISHMENT OF PROJECT FOR PRODUCTION OF LIGHT STEEL  
FRAMES AND BUILDING MATERIALS**

We wish to acknowledge receipt of your project proposal to establish project for production of light steel frames and building materials as presented in the TIC P.A. 1 Form No. 10830 and Feasibility Study with a projected investment of USD 2.739m.

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:-

- Company Board Resolution

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\$ 1000.00 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:-

TICC/PP.10/042459/3

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

*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**



Juliet R. Kairuki

**EXECUTIVE DIRECTOR**

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

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

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



**Name of the Company**  
**Pinnacle Constructions (T) Ltd.**

Post Box	Pasiansi, Plot No. 51 Block M	COI Number	86870	Contact	Mr. Allan Hadwiger
Post Office	718	COI Date	28/10/2013	Designation	Director
Region	Mwanza	Application F. No	10830	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0764 43 92 96
		Sub Sector	Light Steel Frame Production	Fax	0
		File No	042459	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 51 Block M	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>2.739</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	2.739	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	2.739		0	0								
Street	Pasiansi											
District	Ilemela											
Region	Mwanza											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.82
Emmanuel M. Mugarula	Tanzanian	3	Plant	1.15
Lucy g. Hadwiger	Tanzanian	48	Vehicles	0.462
Allan W. Hadwiger	Australian	49	Furniture & Fittings	0.092
			Pre-expenses	0.025
			Others	0
			Working Capital	0.19
			Total	2.739

Employment	84	Evaluated By	wf officer4
Capacity	700 leaf meters per hour	Drawn By	wf registry2
Project Turn Over		Project Type	Local

**Description**

To establish project for production of light steel frames and building materials

**Recommendations**

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

**Decision**

*Approved*  
*[Signature]*  
*[Signature]*  
*[Signature]*

STAKABADHI YA SERIKALI

37896741

1

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from PINNACLE CONSTRUCTION (T) LTD

KIASI  
Amount

Shs.		USD		Cts.
7	50			

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words) SEVEN HUNDRED FIFTY U.S. DOLLARS

ONLY.

NA SENTI  
And Cents

KWA MALIPO YA CERTIFICATE OF INCENTIVES

In respect of

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No.

DL

KITUO - Station

SAHIMI YA MPOKEA Receiving Officer's

Signature

*[Signature]*

CHEO - Title

IIFPO

TAREHE - Date

13 05 - 2013

TIC - MWANZA

NPC-KIUTA

THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

37896748

1

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from PINNACLE CONSTRUCTIONS LTD

KIASI  
Amount

Shs.		USD		Cts.
2	50			

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words) TWO HUNDRED FIFTY US DOLLARS ONLY

NA SENTI  
And Cents

KWA MALIPO YA CERTIFICATE OF INCENTIVES - TOP UP

In respect of

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No.

DL

KITUO - Station

SAHIMI YA MPOKEA Receiving Officer's

Signature

*[Signature]*

CHEO - Title

IIFPO

TAREHE - Date

29-05-13

TIC - MWANZA



Date: May 25, 2013

**EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND  
SHAREHOLDERS OF  
PINNACLE CONSTRUCTION COMPANY LIMITED.**

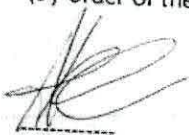
Present:

- |                             |                      |
|-----------------------------|----------------------|
| 1. Allan W. Hadwiger        | Chairman / Director  |
| 2. Lucy G. Hadwiger         | Secretary / Director |
| 3. Emmanuel Martin Mugarula | Director             |

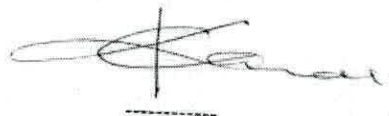
At a duly convened and constituted meeting of the board of directors of Pinnacle Constuction Company Limited held at the temporary registered offices of the company at Seif Plaza, 5th Floor room number 6 , on the 4th day of March 2013, the following resolutions were passed:

1. We are in the process of establishing manufacturing facility for Light Frame Steel products, at Plot No. 51, Block M, Pasiansi - Mwanza City Region.
2. That funds amounting to US\$ 2,739,300 be raised by shareholders to facilitate implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified True Extract  
(By order of the Board)



Chairman



Secretary

TANZANIA

THE LAND ACT 1999

(NO. 4 OF 1999)

**CERTIFICATE OF OCCUPANCY**

(Under Section 29)

I Certify that this  
is the True Copy of  
the Original  
Sign



Date of Issue: 3.8.07

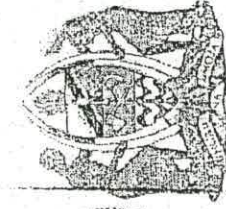
Title Number: 18285 LR Mwanza

Land Office Number: 254381.

Land: PLOT NO: 51 BLOCK 'M' PASIANSI - MWANZA CITY.

Term: THIRTY THREE YEARS.

18285  
10.000



Land Form No. 22  
Stamp Duty Shs. 100/-  
of 21-11-06  
Murray  
Pwre

Murray  
Registrar of Titles

STAMP DUTY PAID ON  
26571379  
Murray  
Pwre  
REGISTRAR OF TITLES

THE UNITED REPUBLIC OF TANZANIA

THE LAND ACT, 1999  
NO. 4 OF 1999

CERTIFICATE OF OCCUPANCY

(Under Section 20)

Title No. 12885, LR 1000  
L.O. No. 254381  
L.D. No. MCC/L/43748

I Certify that this is the True Copy of the Original



29th June, 2007

The

THIS IS TO CERTIFY that ERICK JOSEPH AYO BONGOMBE, P.O. BOX 6459, Mwanza

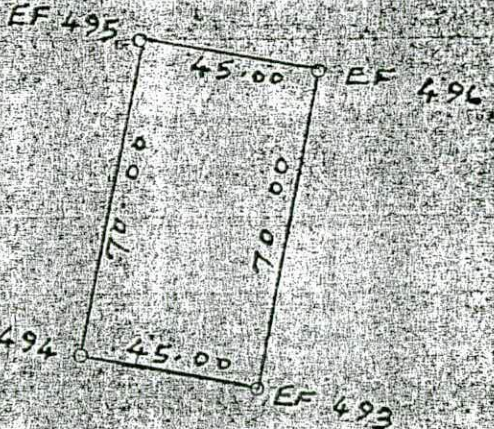
(hereinafter called "the Occupier"/"the Occupiers") is/are entitle to a right of Occupancy (hereinafter called the Right) in and over the land described in the Schedule hereto (hereinafter called "the Land") as joint occupants/occupants in common in square shares for a term of thirty (30) years from the first day of October Two Thousand and six according to the true intent and meaning of the Land Act and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution thereof or amendment thereof and to the following special conditions:-

1. The Occupier(s) having paid rent up to the thirtieth day of June 2007 shall thereafter pay rent of shillings sixty three thousand (Tshs: 63,000/=) a year in advance on the first day of July in every year of the term without deduction PROVIDED that the rent may be revised by the Commissioner for Lands.

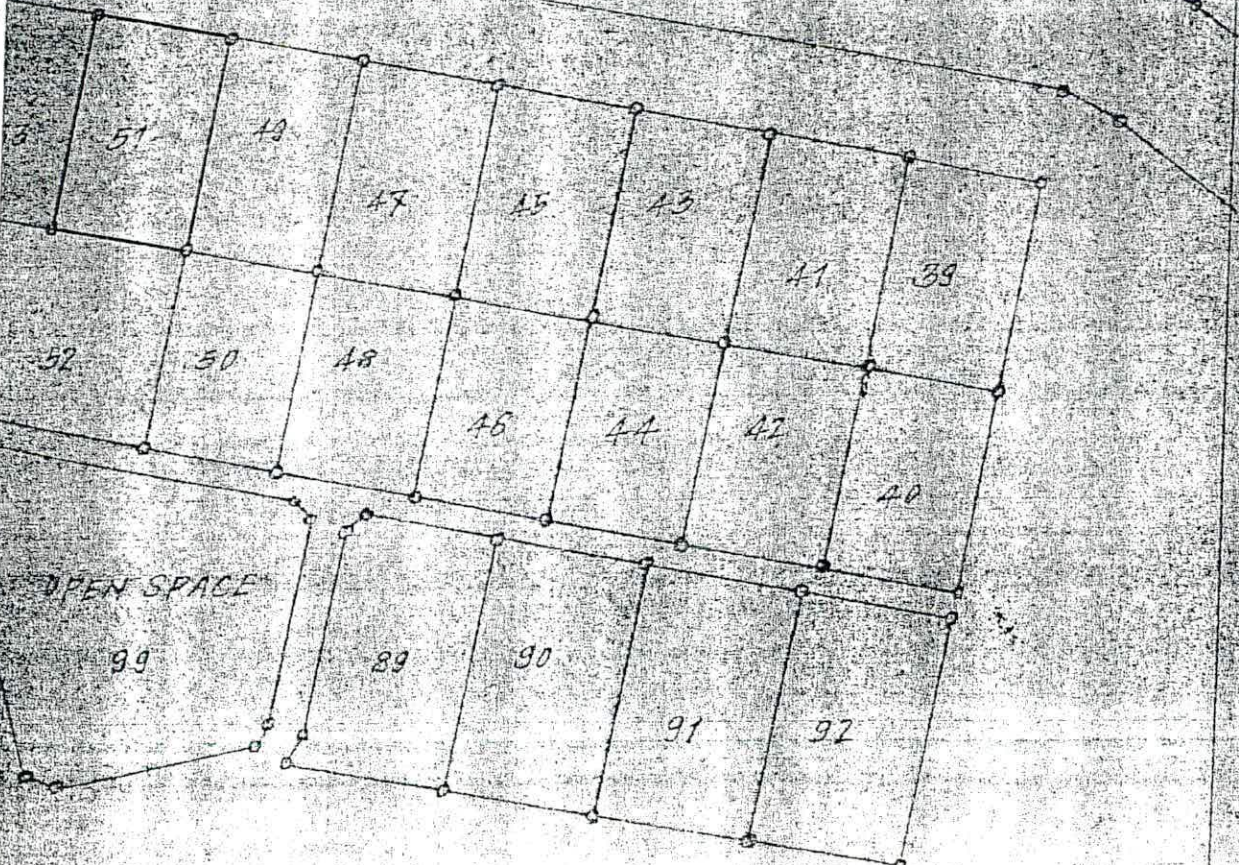
2. The Occupier(s) shall:-  
(i) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director responsible for Surveys and mapping.

MWANZA CITY

I certify that this is the True Copy of the Original  
 Sign: *[Signature]*



OPEN SPACE 100



Location PASIANSI  
 Block 'M'  
 PLOT NO 51  
 L.O. NO 254381  
 Area 3150 SQM.

This plan prepared in accordance with Registrar's  
 Plan No. 22185. It certifies for the purposes  
 of the Land Registration Ordinance.  
 Director of Surveys and Mapping, Date 20/2/2007  
 Ministry of Lands, Housing and  
 Urban Development, Dar es Salaam

No issue of this plan implies no guarantee  
 or admission of title of the Government

The Occupier(→) shall deliver to the Commissioner notification of disposition in prescribed form before or at the time the disposition is carried out together with the payment of all premia, taxes and dues prescribed in connection with that disposition.

The president may revoke the right for good cause or in public interest

## SCHEDULE

Land known as Plot No: 51 Block 'M'

located at Pasiansi in Mwanza City

containing three thousand

one hundred fifty (3150)

square metres/square feet/ha. as shown for identification only edged red on the plan attached to this certificate and defined on the registered Survey Plan Numbered 22185 deposited at the office of the Director for Survey and mapping at Dar es Salaam.

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

I Certify that this  
is the True Copy of  
the Original

Signature



*[Signature]*  
COMMISSIONER FOR LANDS

I, the within named JOSEPH LEMA hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said ENOCK JOSEPH LEMA who is known to me personally/identified to me by

the latter being known to me personally in my presence this 6th day of February 2007.

Witness'

Signature:.....

Postal Address:.....

.....

.....



# **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 ALLAN WAYNE HADWIGER  
(director/directors/agent of PINNACLE CONSTRUCTIONS (T) LIMITED  
(name of business enterprise) apply for registration of PINNACLE CONSTRUCTIONS LTD  
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 MWANZA CITY  
PLOT N° 51, BLOCK "M" - PASIANSI

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at PLOT N° 51, BLOCK "M" - MWANZA

4. The Principal Officers of the Company are ① ALLAN WAYNE HADWIGER  
② LUCY .G. HADWIGER  
③ EMMANUEL .M. MUGARULA

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

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000 DIVIDED  
INTO 10,000 ORDINARY SHARES OF 1000/=  
TANZANIA SHILLINGS EACH.

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

is Tshs./US\$ 100 \$ 2,739,300/=

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~~/cash made payable to the Tanzania Investment Centre for Tshs./US\$

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

I, ALLAN W. MADWIGER of Post Office Number 718 MWANZA

..... do solemnly and sincerely declare that I am a director/~~duly~~

authorized agent of PINNACLE CONSTRUCTIONS (T) 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 ~~Dares Salaam~~ MWANZA

The 11 day of FEBRUARY 2013 }

*Handwritten signature*  
\* **Applicant**

Before me:

*Handwritten signature*  
.....

**Commissioner for Oaths**



APPLICATION SUMMARY

Company Name: PINNACLE CONSTRUCTIONS (T) LTD

Certificate of Incorporation Number: 86870 Status: NEW

Certificate of Incorporation Date: 28TH OCTOBER 2011

Post Box: 718

Town: MWANZA

Sector: MANUFACTURING

Sub-Sector: LIGHT STEEL FRAME PRODUCTION

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
\$ 2,739,300	0		

Project Objectives: TO MANUFACTURE LIGHT STEEL FRAMES AND BUILDING PRODUCTS WITH DEVELOPED TECHNOLOGY.

Capacity: 700 LINEAL METERS PER HOUR.

Employment: Foreign: 5 Local: 79 Total: 84

Implementation Period: 4 YEARS

Project Location

Site/Plot/Block No.: PLOT N° 51, BLOCK "M,"

Street: PASIANSI District: AILEMELA Region: MWANZA (Attach sketch map showing project location)

Shareholders	Nationality	%
ALLAN .W. HADWIGER	AUSTRALIAN	49%
LUCY .G. HADWIGER	TANZANIAN	48%
EMMANUEL .M. MLIGARULA	TANZANIAN	3%

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

Land/Building	820,050
Plant	1,150,250
Vehicles	462,000
Furniture & Fittings	92,000
Pre-expenses	25,000
Others	
Working Capital	190,000
<b>TOTAL</b>	<b>\$ 2,739,300/=</b>

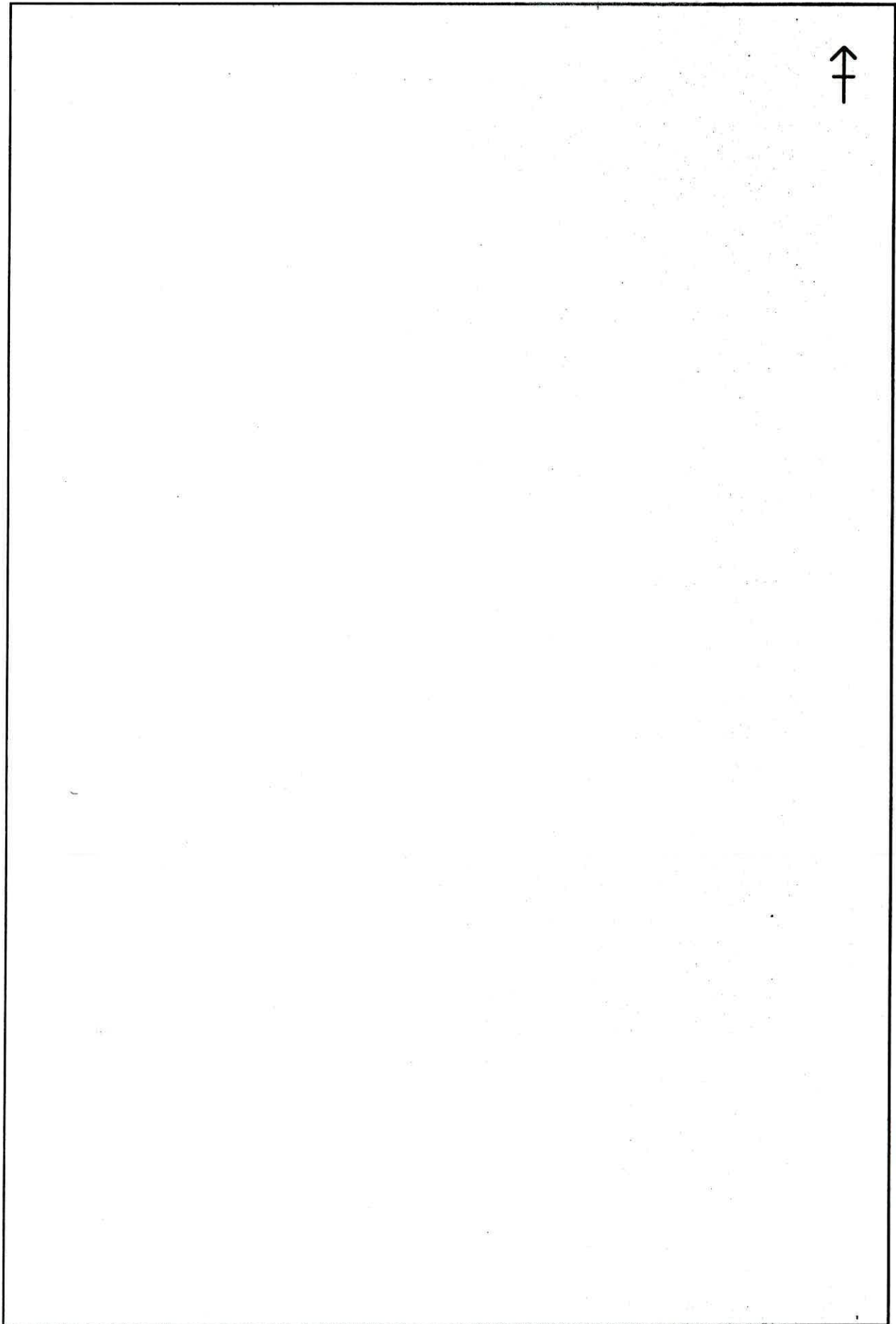
**Contact Details:**

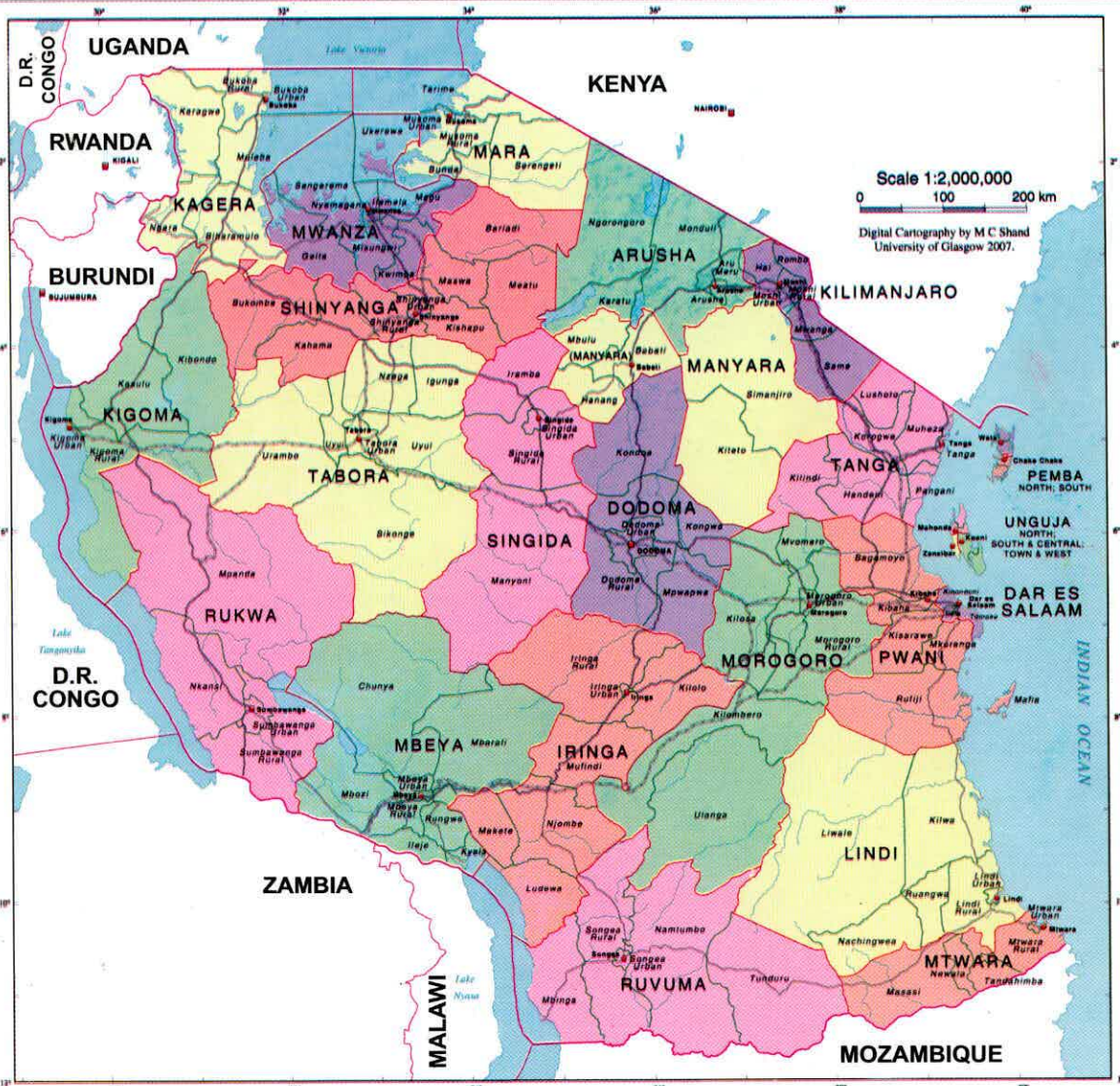
Name: ALLAN HADWIGER      Title: DIRECTOR  
Telephone: 0764 439296      Fax: —  
Email: pinconstructions@gmail.com

**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**





**LEASE AGREEMENT**

**BETWEEN**

**ENOK JOSEPH LEMA**

**(Lessor)**

**AND**

**PINNACLE CONSTRUCTION COMPANY  
LIMITED  
(Lessee)**

---

**AGREEMENT FOR LEASE OF PREMISES SITUATED AT  
PLOT NO. 51 BLOCK "M" PASIANSI KISEKE MWANZA.**

---

THIS LEASE AGREEMENT made this 6<sup>th</sup> day of MAY 2013.

**BETWEEN**

**ENOK JOSEPH LEMA** of Postal Office Box Number 6459 Mwanza (herein after called "**the Lessor**") which expression shall, where the context so admits, include his successors and assigns) of one part;

**AND**

**PINNACLE CONSTRUCTIONS COMPANY LIMITED LIMITED** of Post Office Box Number 718 Mwanza a limited liability company registered under the laws of Tanzania (hereinafter called "**the Lessee**") of the second part;

**WHEREAS** the lessor is the owner of premises located on Plot Number 51 Block "M" Pasiansi Kiseke Mwanza and is desirous to lease the said premises to the lessee.

**AND WHEREAS** the lessee is desirous to take the premises from lessor as a tenant under the terms and conditions set out hereunder.

**THIS AGREEMENT WITNESSETH** as follows:

1. The lessor hereby Leases to the Lessee the premises known as **Plot Number 51 Block "M" Pasiansi Kiseke Mwanza** hereinafter referred to as ("**the demised premises**") for five years from the 7<sup>th</sup> day of May 2013 to the 6<sup>th</sup> day of Mwanza 2021 with an option to renew for a similar period **AND PAYING** the monthly rent of US Dollars 2600 per month to be paid at the beginning of every month.
2. **THE LESSEE COVENANTS WITH THE LESSOR as follows:**
  - (a) To use the demised premises for business of light steel frame factory and other relating activities with an option of converting it to residential purposes.
  - (b) At all times during the term of this lease to keep the demised premises including all doors, walls, windows, water taps, baths, internal sanitary apparatus, electrical light fittings and other fixtures and fittings of the demised premises in good repair; damage arising from accidental fire or reasonable and proper use excepted.
  - (c) To pay all water, telephone, lighting charges, sanitary conveyance and other charges whatsoever which may after the date of this agreement be assessed or any part thereof on the **lessor** or the **Lessee** in respect thereof.

do so and any party wishing to terminate it before its expiry shall serve to the other party a similar notice and any rent paid in advance shall be reimbursed.

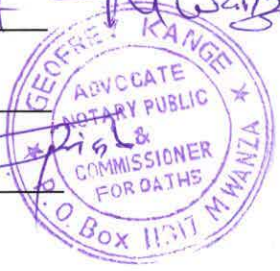
- (c) That any notice required to be served by the parties hereto shall be sufficiently served to each party if the same is addressed to him/it and sent by dispatch or as a registered post via the parties respective postal addresses as indicated in this agreement.
- (d) The parties to this agreement submit themselves to the Laws of Tanzania and should any dispute arise between them regarding the implementation or interpretation of this agreement the laws applicable shall be the Laws of Tanzania.

**SIGNED and DELIVERED by ENOK JOSEPH LEMA**  
who is known to me personally/ identified to me  
by \_\_\_\_\_ the latter  
being known to me personally in my presence this  
7th day of May 2013.

*[Handwritten signature]*

**BEFORE ME:**

Name: Geofrey Kanga  
Postal Address: P.O. Box 11317 Mwanza  
Qualification: Advocate  
Signature: *[Handwritten signature]*

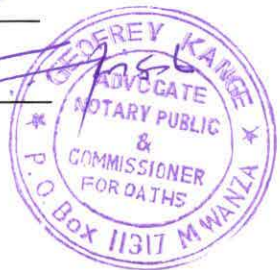


Signed and Delivered at Mwanza on behalf of  
**PINNACLE CONSTRUCTIONS COMPANY LIMITED** by  
**ALLAN HADWIGER** who is known to me/identified to me  
By .....  
the later being known to me this 7th day of May 2013.

*[Handwritten signature]*

**BEFORE ME:**

Name: Geofrey Kanga  
Postal Address: P.O. Box 11317 Mwanza  
Qualification: Advocate  
Signature: *[Handwritten signature]*



- (d) To permit the **Lessor** or his duly appointed agent to be at the demised premises for purposes of ensuring safety of the demised premises and other fixtures and that the same are not jeopardized by **the Lessee** during the whole term of the lease.
- (e) Not to do or permit to be done upon the demised premises anything that may be a nuisance or annoyance to, or in anyway interfere with the quite enjoyment and comfort of the neighbors.
- (f) Not to assign sublet or part with possession of the demised premises or any part thereof without first obtaining the previous written consent of **the Lessor**.

3. **THE LESSOR COVENANTS WITH THE LESSEE as follows:**

- (a) To insure or cause to be insured and keep insured the demised premises and the fixtures therein against loss or damage by fire and such other risks as **the Lessor** shall deem desirable or expedient.
- (b) To permit **the Lessor** to make partitioning on the demised premises so as to conform to the desired use of the premises by **the Lessor**.
- (c) To permit **the Lessee** paying the rent hereby reserved and performing and observing the covenants and conditions hereby contained or implied and on its part to be performed and observed, peacefully and quietly to possess and enjoy the demised premises during the term hereby created without any interruption for or by **the Lessor**.
- (d) To pay all existing and future municipal site rates, taxes and all out goings payable in respect of the demised premises.

4. **THE LESSOR AND LESSEE MUTUALLY AGREE AND DECLARE as follows:**

- (a) That notwithstanding anything to the contrary herein contained the provisions of this lease may (subject to the provisions of any law in force to the contrary) be modified by an exchange of letters between the parties hereto and shall after any exchange of letters be read and construed as so modify.
- (b) Any party wishing to renew this agreement as provided herein shall serve to the other party a three months' notice of intention to

otherwise deal in chemicals and chemical requisites of every description; and to consult in chemical product design, industrial chemical design, and consult in any chemical related matters.

- (d) To act as consultants in all pharmaceuticals and their products, medicines, medical issues and matters and apparatus related therewith and to provide consultancy in diseases of all forms, environmental issues, nutritional matters and all other matters as may be related or/and incidental thereto.
- (e) To carry on the business as Proprietors and keepers of hotels, inns, taverns or coffee houses, lodges and of tented camps catering for the local resident and tourists and offering luxury camps and camping equipment for hire.
- (f) To carry on the business of keepers of a holding houses, to operate as suppliers of all types of boarding and accommodation establishments including lodge, hotel, restaurant, cafe, apartments, roadhouse, home stays, auto-coast motel, safaris or holiday camp-keepers.
- (g) To carry on the business as proprietors of hotels, lodges, restaurants, refreshment and tea rooms, cafes and milk and snack bars, beer-hose and lodging-house keepers, house keepers, wine, beer, spirits, soft drinks and soda suppliers, and merchants and sellers of he same brewers, distillers and as caterers and contractors in their respective branches and to ear in and sell all commodities.
- (h) To own and operate hotel schools and study centres and act as consultants in catering, house keeping and providers of food and beverage services.
- (i) To carry on the business of a management and serving company and to act as managers or to direct the managers of other companies or of the business, property and estates of

- (o) To carry on any other business (whether manufacturing or otherwise) which may seem to the Company capable of being conveniently carried on in connection with the above, or calculate directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- (p) To acquire and undertaken the whole, or any part of the business, property and liabilities of any person or company carrying on any business which the company is authorised to carry on, or possessed of property suitable for the purposes of the company.
- (q) To apply for, purchase or otherwise acquire, any patents brevets d'invention, licences, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to, any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem calculated directly or in-directly to benefit the Company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account, the property, rights or information so acquired.
- (r) To enter into partnership or into any arrangement for sharing profits, union of interest, co-operation, joint, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or in-directly to benefit this Company.
- (s) To guarantee the repayment of money by and the contractors of, or otherwise assist, any person, firm or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, reissue, with or without guarantee, or otherwise deal with the same.

- (t) To take, or otherwise acquire and hold, shares in any other company having objects altogether or in part similar to those of this Company, or any business capable of being conducted so as directly or in-directly to benefit this Company.
- (u) To enter into any arrangements with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's object or any of them, and to obtain from any such government or authority, any rights, privileges and concessions which the Company may think is desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (v) To establish and support or aid in the establishment and support of associations, institution, funds, trusts and conveniences, calculated to benefit employees or ex-employees of the Company or the dependants or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance's and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general, or useful object.
- (w) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of the Company, or for any other purpose which may seem directly or indirectly calculate to benefit this Company.
- (x) To invest the money of the Company not immediately required in such manner as may from time to time be determined.
- (y) To lend money to such persons or companies and on such terms as may seem expedient, and in particular to customers and others having dealings with the Company, and to guarantee the repayment of money and the performance of contracts by any persons, firms or companies.
- (z) To borrow or raise or secure the payment of money in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or

otherwise, charge upon all or any of the Company's property (both present and future) including its uncalled capital, and to purchase, redeem or pay off any such securities.

- (aa) To amalgamate with any other company having objects altogether or in part similar to those of the Company.
- (bb) To remunerate any person or company for services rendered or to be rendered, in placing or assisting to place or guaranteeing the placing of the shares in the Company's capital or any debentures, debenture stocks or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- (cc) To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (dd) To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company.
- (ee) To obtain any provisional Order, Ordinance or Act of Parliament for enabling the Company to carry any of its objects into effect or for effecting any modification of the Company's constitution, or for any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly, to prejudice the Company's interests.
- (ff) To sell, improve, manage, develop, exchange, lease, charge, mortgage, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
- (gg) To distribute any of the property of the Company among the members in specie.


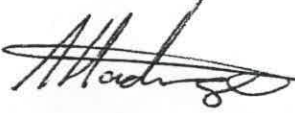

(hh) To do all or any of the above things in any part of the world and as principals, managing agents, agents, contractors, trustees or otherwise, and by or through trustees, managing agents, agents, or otherwise, and either alone or in conjunction with others.

(ii) To do all such things as are incidental or conducive to the attainment of the above objects. The object set forth in any sub-clause of this clause shall not, except when the context expressly so require, be in any wise limited or restricted by reference to or inference from the terms of any other sub-clause or by the name of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause or this clause, but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertaking, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.

4. The liability of the members is limited.

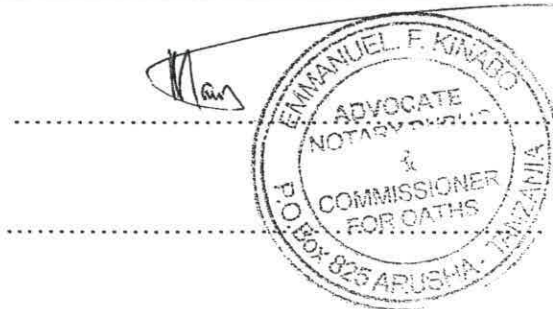
5. The capital of the Company is 10,000,000/= Tanzanian Shillings , divided into 10,000 ordinary shares of 1000 Tanzanian Shillings each. The Company shall have the power to increase or decrease the capital, or consolidate the shares, to divide the shares in the original or any increased capital into several classes and to attach thereto respectively and from time to time alter or modify any preferential, qualified, special or deferred rights, privileges and conditions. We, the several persons whose names, addresses and descriptions are subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Associations, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

WE, the persons whose names and addresses are subscribed, desire to be formed into a company, in pursuance of this Memorandum of association, and we respectively agree to take the number of shares in the Capital of the Company set opposite to our respective names.

Names, Addresses and Descriptions of Subscribers	Numbers of shares taken By each Subscriber	Signature Of Subscribers
1. LUCY G.HADWIGER, NGARAMTONI UNSURVEYED AREA, P. O. Box 16546, ARUSHA.	48	
2. ALAN W.HADWIGER, NGARAMTONI UNSURVEYED AREA, P. O. Box 16546, ARUSHA.	49	
3. EMMANUEL MARTIN MUGARULA, SAKINA UNSURVEYED AREA, P.O BOX 8264, ARUSHA.	3	

Dated the 9th day of August, 2011.

WITNESS to the above Signatures:



THE COMPANIES ACT (CAP. 212 R.E 2002)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

TO ACCOMPANY PRECEDING MEMORANDUM OF ASSOCIATION

OF

PINNACLE CONSTRUCTIONS(T) LIMITED

### INTERPRETATION

1. In these articles:-

“the Act” means the Companies Act;

“the articles” means the articles of the company;

“clear days” in relation to the period of a notice that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

“the seal” means any person appointed to perform the duties of the secretary of the company;

“Secretary” shall mean any person appointed to perform the duties of Secretary of the Company;

Expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithograph, photograph, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these articles become binding on the company.

## MEMBERS

2. The number of members with which the company proposes to be registered is but the directors may from time to time register an increase of members.
3. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

## GENERAL MEETINGS

4. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.
5. All general meetings other than annual general meetings shall be called extraordinary general meetings.
6. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

## NOTICE OF GENERAL MEETINGS

7. Every general meeting shall be called by twenty-one clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of that business:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it so agreed:-

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
  - (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representation not less than ninety – five percent of the total voting rights at that meeting of all the members.
8. Subject to the provisions of the articles, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omission to give notice of a meeting to, or the non receipt to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

### PROCEEDINGS AT GENERAL MEETINGS

9. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
10. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
11. If within half an hour from the time appointed for the meeting a quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
12. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their number to be chairman of the meeting and, if there is only one director present and willing to act, he shall be chairman.
13. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be a chairman of the meeting

14. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

15. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:-

- (a) by the chairman; or
- (b) by at least (three) members present in person or by proxy; or
- (c) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may, before the poll is taken, be withdrawn.

16. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.

17. In the case of an equality of votes, whether on a shoe of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

18. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.

19. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly

convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more members.

### VOTE OF MEMBERS

20. Every member shall have one vote.
21. A member respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Act, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
22. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
23. On a poll votes may be given either personally or by proxy.
24. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under sea) or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.
25. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the per son named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
26. An instrument appointing a proxy shall be in the following form or a form as near hereto as circumstances admit:-

".....Limited  
I/We.....of.....,being a member/members  
of the above-named company, hereby appoint .....  
,of  
or failing him.....of.....,as  
my/our proxy to vote for  
me/us on my/or behalf at the {annual or extraordinary, as the case maybe} general  
meeting of the  
company to be held on the.....day of.....200.....,and  
at any adjournment thereof.

Signed this.....day of,.....200.....”

27. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

“.....Limited.

I/We.....of.....being a member/members of the above named company, hereby appoint.....of.....or failing him.....of.....as my/our proxy to vote for me/us on my/our behalf at the {annual or extraordinary, as the case may be} general meeting of the company to be held on the.....day of.....200....., and at any adjournment thereof.

Singed this.....day of.....200.....

This form is be used \*in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

“Strike out which ever is not desire”

28. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
29. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duty authorized representative of a corporation shall be valid notwithstanding the previous determination of the authority of the person voting or demanding a poll unless notice of the determination was received by the company at its registered office (or at such other place at which the instrument of proxy was duly deposited ) before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS**

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

## DIRECTORS

31. The Number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two.
32. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

## BORROWING POWERS

33. The director may exercise al the powers of the company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or any third party.

## POWERS AND DUTIES OF DIRECTORS

34. Subject to the provisions of the Act, the memorandum and the articles and to any directors given by special resolution, the directors, who may exercise all the powers of the company, shall manage the business of the company. No alteration of the memorandum or articles and no such directions shall invalidate any prior act of the directors, which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the directors by the articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the directors.
35. The directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.
36. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as they case may be, in such manner as the directors shall from time to time by resolution determine.
37. The directors shall cause minutes to be made in books provided for the purpose:-
  - a) of all appointments of officers made by the directors;

- b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
- c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

### DISQUALIFICATION OF DIRECTORS

38. The office of director shall be vacated if the directors:-
- (a) Without the consent of the company in general meeting holds any other office of profit under the company; or
  - (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
  - (c) Cases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
  - (d) Becomes of unsound mind; or
  - (e) Resigns his office by notice in writing to the company; or
  - (f) Is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by the Act.

A director shall not vote in respect of any contract in which he is interested or any matter arising thereat, and if he does so vote shall not be counted.

39. The company may by ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.
40. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re – election.
41. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
42. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director

43. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
44. The quorum necessary for the transaction of the business of the directions may be fixed by the directors, and unless so fixed shall be two.
45. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
46. The directors may appoint one of their numbers to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
47. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
48. All act done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
49. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or {as the case may be} a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

**SECRETARY**

50. The Secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.
51. A provisions of the Act or these articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

#### THE SEAL

52. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.
53. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and matters in respect to which the receipt and expenditure takes place;
  - (b) all sales and purchase of goods by the company; and
  - (c) the assets and liabilities of the company.

Property books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and air view of the state of the company's affairs and to explain its transactions.

54. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
55. No number shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statue or authorized by the directories or by ordinary resolution of the company.
56. The directors shall from time to time in accordance with sections 153, 155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
57. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the director's report and the auditors shall not less than twenty - one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy




of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

### AUDIT

58. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.

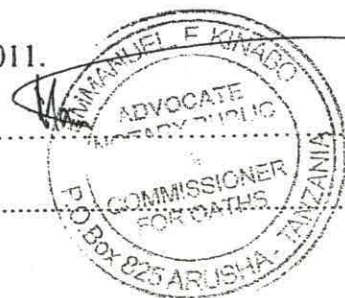
### NOTICES

59. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepared envelope addressed to the member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address within the Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

Names, Addresses and Descriptions of Subscribers	Numbers of shares taken By each Subscriber	Signature Of Subscribers
1. LUCY G.HADWIGER, NGARAMTONI UNSURVEYED AREA, P. O. Box 16546, ARUSHA.	48	
2. ALAN W.HADWIGER, NGARAMTONI UNSURVEYED AREA, P. O. Box 16546, ARUSHA.	49	
3. EMMANUEL MARTIN MUGARULA, SAKINA UNSURVEYED AREA, P.O BOX 8264, ARUSHA.	3	

Dated the 07<sup>th</sup> day of August 2011.

WITNESS to the above Signatures: \_\_\_\_\_





**Stanbic Bank**  
A member of Standard Bank Group

The Executive Director,  
Tanzania Investment Centre,  
P.O BOX 638,  
Mwanza.  
Tanzania.

**Arusha Branch**  
P O BOX 3062  
Arusha, Tanzania  
Fax: 025-2508809  
Telephone: 025-2509714/6  
Dir 025-2509713

Date	Direct telephone Number	In reply please quotes our reference	your reference
11 <sup>th</sup> March 2013	25009713		SBT/ARS/BB/PIN/TIC/03/2013

Dear Sir/Madam,

**RE: PINNACLE CONSTRUCTIONS (T) LTD.**

Kindly refer the above heading, we wish to confirm that Pinnacle Constructions (T) Ltd is our good customer having a banking relationship with us whereby they are operating TSH and USD accounts.

We further confirm that there is no any misbehaviour of the accounts conduct in our books.

Please note that this letter has been given in strict confidence for your office use only without any responsibility to the Bank or any of its officers.

Should you need further support on this regards please do not hastate to contact us.

For Stanbic Bank (Tanzania) Limited  
Arusha Branch

.....  
Baud Uyimo. Signing Officer  
Relationship Manager, Arusha.

CC: Pinnacle Constructions (T) Ltd.

Stanbic Bank Tanzania Limited  
Directors: A B S Kilewo\* (Chairman/Non-Executive), H K Senkoro \*(Non-Executive), A A Mafukuni\* (Non-Executive)  
B Awale\*\*\* (Managing Director), R Branco\*\* (Executive)  
\*Tanzanian, \*\*South African, \*\*\* Kenyan

# TANZANIA



## Certificate of Incorporation

Section 15

No 86870

I HEREBY CERTIFY THAT

**PINNACLE CONSTRUCTIONS (T) 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 28TH day of OCTOBER

**TWO THOUSAND AND ELEVEN.**

*Certified true copy*  
*[Signature]*

*[Signature]*  
Asst. Registrar of Companies

# PINNACLE CONSTRUCTIONS (T) LIMITED

Ref: PINNACLE/TIC/DIS/2015/2

16<sup>th</sup> September 2013

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

## **RE: REQUESTED A REFUND FOR CERTIFICATE OF INCENTIVE (\$1000)**

Please accept this letter as our official application for refund to **Pinnacle Constructions Tanzania Limited**.

The company has been registered with TIC under certificate of incentive number is 042459 to establish a project of light steel frames and building materials at Plot No. 51, Block M, at Ilemela District – Mwanza, servicing the mining industry in Tanzania and the neighbouring countries.

On December 10<sup>th</sup> December 2014, our audit accountant made an oversight of paid \$1000 to TIC account number 8702006002000 in respect of renewal of our certificate of Incentive. We came to realize the said certificate still valid until 2016, and therefore requesting the refund of our payment back.

Please find attached documentations for your perusal and swift processing of our payment.

- Receipt of payment from TIC No. 011629
- A copy of TIC certificate of Incentive

I thank you for continuing support.

Yours Faithfully,



**Alan Wayne Hadwiger**  
DIRECTOR  
Pinnacle Constructions Tanzania Limited

PLOT NUMBER 51, BLOCK 'M', PASIANSI, KISEKE ILEMELA DISTRICT – MWANZA.

P.O.BOX 718 MWANZA

Unclaimed refund beyond three years will be forfeited



# TANZANIA INVESTMENT CENTRE

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

RECEIPT REC018034

No 011629

Received from: **PINNACLE CONSTRUCTION LTD**

Address

Received the sum of (In words): **ONE THOUSAND AND ZERO CENTS ONLY**

Being payment in respect of: **CERTIFICATE OF INCENTIVES**

Amount: **USD 1,000.00**

Cash / Cheque No: **000260**

Date: **10 Dec 2014**



*for Executive Director*  
**Tanzania Investment Centre**  
Buiso  
Receiving Officer



Aug 11

53980

Please accept this letter as our official application for refund to **Pinnacle Constructions Tanzania Limited**.

He company has been registered with TIC under certificate of incentive number is 042459 to establish a project of light steel frames and building materials at Plot No. 51, Block M, at Ilemela District - Mwanza, servicing the mining industry in Tanzania and the neighbouring countries.

On December 10<sup>th</sup> December 2014, our audit accountant made an oversight of paid \$1000 to TIC account number 8702006002000 in respect of renewal of our certificate of Incentive. We came to realize the said certificate still valid until 2016, and therefore requesting the refund of our payment back.

Please find attached documentations for your perusal and swift processing of our payment.



00219994

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042459

This is to certify that

PINNACLE CONSTRUCTIONS (T) LTD

of address P.O. BOX 718  
MWANZA

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

PINNACLE CONSTRUCTIONS (T) LTD

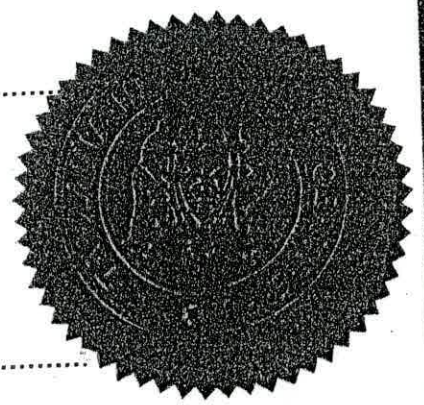
Which is located at PLOT NO. 51 BLOCK M, PASIANSI, KISEKE  
ILEMELA - MWANZA

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 18TH JUNE 2013



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

1. Shareholders
 

	Nationality	Shareholding (%)
Emmanuel M. Mugarula	Tanzanian	3
Lucy G. Hadwiger	Tanzanian	48
Allan W. Hadwiger	Australian	49
  
2. Proposed Activities: **To establish project for projection of light steel frames and building materials**
  
3. Sector: **Manufacturing** Subsector: **Light Steel Frame Production**
  
4. Investment cost: Foreign **-** Local **USD 2.739m.** Total **USD 2.739m.**
  
5. Project Financing: Equity **USD 2.739m.** Loans **-** Total **USD 2.739m.**
  
6. Source, terms and conditions of loan.
  
7. Assets to be invested:
 

	Foreign	Local	Total
Capital items:	-	USD 2.739m.	USD 2.739m.
  
8. Technology Agreement **None**
  
9. Date of TIC Registration: **10th June 2013**
  
10. Implementation period **June 2013 - May 2016**
  
11. Operative date **June 2016**
  
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
  - (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
  - (ii) Applicable with-holding Tax **As per Income Tax act, 2004 (as amended)**
  - (iii) Eligibility of Capital Allowances **As per Income Tax act, 2004 (as amended)**
  
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
  
14. Conditions attached to this Certificate of Incentives
  - (i) Date of Commencement of investment has to be notified to the Centre.
  - (ii) Certificate not to be transferred, assigned or amended
  - (iii) Failure to commence implementation within two years invalidates Certificate
  - (iv) Failure to operate investment must be notified to the Centre
  - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
  
15. Additional conditions attached to Certificate  
**Finished goods are not allowed under this Certificate**

Signed   
Executive Director

# PINNACLE CONSTRUCTIONS LIMITED

## BUSINESS PLAN

FOR LIGHT STEEL FRAME FACTORY

PREPARED BY ALLAN HADWIGER LIMITED

2013

P.O. BOX 718, MWANZA - TANZANIA

TABLE OF CONTENTS

Contents

1. EXECUTIVE SUMMARY .....	4
1.1.0 STRATEGY PYRAMID .....	4
1.1.1 VISION.....	5
1.1.2 MISSION.....	5
2. OUR COMPANY .....	6
2.1.0 COMPANY HISTORY .....	7
2.1.1 COMPANY LOCATION .....	7
MANUFACTURING SECTOR IN TANZANIA.....	8
3. INTRODUCTION .....	8
3.1.1 IMPORTANCE OF THE SECTOR AND PERFORMANCE .....	9
3.1.2 EXPORT DEVELOPMENT .....	9
3.1.3 MAJOR PRODUCTION AND INDUSTRIAL UNITS.....	9
3.1.4 <i>Food, Beverages and Tobacco</i> .....	9
3.1.5 <i>Textiles, Clothing, Leather and Footwear</i> .....	10
3.1.6 <i>Wood products activities Accounted in the subsector</i> .....	10
3.1.7 <i>Paper and Paper Products</i> .....	10
3.1.8 <i>Chemicals, Petroleum, Rubber and Plastics</i> .....	10
3.1.9 <i>Non-metallic Mineral Products</i> .....	11
3.2.1 <i>Basic Metal Products</i> .....	11
3.2.2 <i>Fabricated Metals, Machinery and Equipment</i> .....	11
3.2.3 <i>Other Manufacturing Industries</i> .....	11
3.2.4 NOTABLE PERFORMANCE OF SOME LOCAL INDUSTRIES .....	12

3.2.5 INVESTMENT OPPORTUNITIES.....	12
3.2.6 POLICIES AND REGULATORY FRAMEWORK.....	13
3.2.7 INDUSTRIAL SUPPORT ORGANISATIONS .....	13
3.2.8 CHALLENGES FACING THE MANUFACTURING SECTOR .....	14
3.2.9.CONCLUSION .....	14
4.0 BUSINESS DISCRIPTION .....	15
4.1.1 Steel Frame Production and Construction.....	15
4.1.2 BENEFITS OF LIGHT FRAME STEEL CONSTRUCTION .....	16
4.1.3 Durable and Safe .....	17
4.1.4 Environmentally Friendly .....	17
4.1.5 Strong and Design-Flexible .....	18
5.0 TECHNOLOGY.....	19
PINNACLE Certified.....	19
Tested and Certified for Buildings all around the World .....	19
5.1.1 Steel Frame Transportable / Prefab Buildings .....	20
5.1.2 Quality Fasteners and Fastening Tools .....	20
5.1.3 Screw Fasteners and Tools.....	21
5.1.4 Pneumatic Pin Fasteners .....	21
5.1.5 Brackets and Connectors .....	21
5.1.6 PINNACLE Certified Steel.....	22
5.1.7 PINNACLE Cladding and Lining.....	22
5.1.8 Roofing.....	23
6.0 MARKET ANALYSIS AND SUMMARY.....	24
6.1.1 TARGET MARKET SEGMENT .....	24

6.1.2 MARKET NEEDS .....	24
6.1.3 MARKET GROWTH .....	24
6.1.4 STRATEGY AND IMPLEMENTATION .....	25
7. FINANCIAL EVALUATION/ ANALYSIS.....	26
7.1 .1 Land and Buildings .....	26
7.1.2 Plant, Machinery & Equipment .....	26
7.1.3 Motor Vehicles .....	26
7.1.4 Pre- Expenses .....	26
7.1.5 Furniture and Fittings .....	27
7.1.6 Working Capital .....	27
7.1.7 INVESTMENT BREAKDOWN AND FINANCIAL PLAN.....	27
7.1.8 Projected Sales Revenue and Direct Overheads .....	28
7.1.9 Financial Viability .....	29
7.2.0 Fundamental Assumptions .....	29
7.2.1 Working Capital Requirements.....	32
7.2.2 Projected Profitability.....	32
7.2.3 Cash Flow Projection .....	32
7.2.4 Financial Review .....	33
7.2.5 The project is profitable.....	33
8.0 ECONOMIC REVIEW.....	34
8.1.1 CONTRIBUTION OF THE PROJECT TO ECONOMIC DEVELOPMENT .....	34
8.1.2 Need for Sustainability .....	34
9.0 RECOMMENDATIONS .....	35

## 1. EXECUTIVE SUMMARY

PINNACLE's renowned Steel Frame Business Solution empowers clients to profitably achieve fast, reliable, and automated production & construction capabilities without the need for skilled labour, resulting in fast project completion, improved product quality. PINNACLE started in 2011, trading building products and supplying roll forming equipment. Fifteen years ago we identified the benefits of steel framing as a better alternative for building construction. We have developed technology & a presence in international markets to make us the worldwide leader in steel framing solutions to residential and commercial construction. We pride ourselves in being a company that

- Is close to our clients so that we can better understand and satisfy their needs.
- Is flexible and ready to adapt quickly to the changing needs of our clients.
- Works on a continual improvement principle.
- Creates competitive advantage for our clients by using technology to provide better solutions.

“We have building system researchers, software developers, CAD designers, engineers, machine control experts, technicians and on-site construction experts. We also have people who are good at listening to customers – we've always been driven by market needs, because a solution is only worthwhile if it delivers better productivity and quality to our customers.”  
Allan Hadwiger CEO/Chairman.

### 1.1.0 STRATEGY PYRAMID

Our main strategy at Pinnacle Construction is to position ourselves at top of the quality scale. Featuring our combination our combination of superb technology and fine fashioned light steel frame, for the buyer who wants the best quality regardless of price. Tactics underneath that strategy includes research and development related to new designs and new technology, choosing the right channels for distribution and communicating our quality

position to the market. Programmes are those listed in the milestone table, including new design programmes.

### 1.1.1 VISION

- Pinnacle Construction Limited strive to promote and establish Light steel frame construction as high performance alternative building solution and high quality, energy efficient ,cost effective and preferred method of building in Tanzania in residential and non residential buildings.
- Pinnacle Construction Limited is a Tanzania company that is changing the future of the construction industry in Tanzania. By utilizing state of Art Technology we are able to plan, model and construct buildings using galvanized light steel frames to give you a building that is strong, durable and energy efficient, a total of green building solution and, most importantly as beautiful as the client imagined it could be.

### 1.1.2 MISSION

The company will endeavor, through its expertise, to provide a unique value proposition, and will ensure continued growth and profit for sustainability, initially within Tanzania and expanding into clearly defined international markets as the business develops and grows. Our value proposition is to offer a wide range of high quality products and building solutions to the general public, builders, contractors and entrepreneurs that would encompass a complete package (product, price, quality, training and service) to the benefit of the client.

## 2. OUR COMPANY

Pinnacle Construction Limited was found and established by Mr. Alan W Hadwiger, Mrs. Lucy G Hadwiger and Mr. Emmanuel Martin Mugarula in Tanzania and will become major contributor to employment creation, economic growth and developing alternative and sustainable construction practice within Tanzania and the great lake region.

Pinnacle Construction Limited is expecting to become the largest Light frame construction and material supplier in Tanzania and the great lake zone region of Tanzania.

The Pinnacle Construction Limited is registered with Tax identification number 115-566-105, and its Head office is situated at plot number 210/1, Endurance Estate, Burka in Arusha.

The director Mr. Alan Hadwiger has over 30 years construction experience through various projects in Australia, Asia, Europe and Africa.

The purpose of this plan is to demonstrate the strategic direction of Pinnacle construction the proposal is set up a factory in Mwanza, Initially in rented premises. The aim is to market the product within the mining, government and private sectors.

The company will import roll form machinery, and sheet steel for the purpose of making roof truss materials, ceiling battens and color bond roof sheeting. All manufacturing together with engineering and construction method will comply with Australian and Tanzanian standards.

The steel is high tensile blue steel, and will be used in roofing industry, associated products with this color bond facial, guttering and downpipes, color bond roofing is available in many colors and has the advantage that regardless of the conditions does not fade. The Mining sector is using this very same material for their offices and housing, and where first constructed in Geita Gold Mine in 1999 and Barrick sites in the Lake zone. As the company develops it will be purchasing trucks, cranes, forklifts and vehicles for site work.

## 2.1.0 COMPANY HISTORY

Pinnacle Construction Limited has actually existed since 2011 when the company was started by Mr. Alan Hadwiger and Mrs. Lucy Hadwiger, the company has been doing contract constructions in the Mining and industry sector since its incorporation.

Mr. Alan Hadwiger managing director, had a successful career in mining before becoming half owner of Pinnacle construction Limited, He has been the project manager of projects in the Mines in Tanzania, DRC Congo, Mozambique and Zambia.

## 2.1.1 COMPANY LOCATION

Pinnacle Construction is currently located in a single facility in Burka Area; Arusha region .The facility includes an office and a workshop, access to the local bus route.

### 3.0 MANUFACTURING SECTOR IN TANZANIA

#### 3. INTRODUCTION

Although an underdeveloped sector in Tanzania, manufacturing is nevertheless an important contributor to the country's GDP. But the burdens it struggles under are substantial. Hampered by the variability of the agricultural sector on which it is based, Tanzania's industries must also contend with high costs of production, low labor productivity, high interest rates and increased competition arising out of the policy of trade liberalization.

In this context, the sector is characterized by a narrow industrial base dominated by agro-industries, limited diversification, reliance on imported inputs of raw materials and intermediates, relatively underdeveloped industry linkages, prevalent use of obsolete technologies and production that is mainly focused on the domestic market.

Government recognizes that significant transformation of the sector is vital. In order to achieve this, it is necessary to promote and stimulate a change process which will make the sector exhibit a diversified structure of production; undertake processing of more of the natural resources with which Tanzania is endowed; and become export-oriented.

Taking into account the above factors, Government's goals for the industrial sector in the medium term are to optimize the exploitation of domestic natural resources; to strengthen backward and forward linkages within the manufacturing sector and between the sector and rest of the economy; to ensure that industries are competitive in the domestic and international markets; to raise levels of technological capabilities; to create new employment opportunities; to absorb the rapidly growing labour force; to strengthen the SME sector and put emphasis on sub regional collaboration and south-south cooperation.

### **3.1.1 IMPORTANCE OF THE SECTOR AND PERFORMANCE**

In terms of importance, the manufacturing sector, though not strong as it should be, continues to play a respectable role in the economy, contributing to 18.9% of export earnings and 8.6% to GDP - but this is still short of the planned target of 15% by 2020.

In the country's Development Vision-2025, it is projected that the contribution of the industrial sector to the economy will reach 25% like the semi-industrialized countries of South East Asia.

Tanzania's most important industries include agro food processing, beverages, oil refining, and cement. Other industries include the production of textiles, apparel, tobacco products, glass, paints, plastics, chemicals and pharmaceuticals, and the processing of metals and wood products.

The sector provides employment for an estimated workforce of over 100,000 people. Growth rate of the sector decelerated from 9.9 percent in 2008 to 8.0 percent in 2009. This trend was due to the effects of the global economic meltdown.

### **3.1.2 EXPORT DEVELOPMENT**

The export market for manufactured goods comprises cotton yarn, manufactured coffee, manufactured tobacco, sisal products, plastics, textiles and apparel and iron steel.

During 2009, the export value of manufactured goods decline from US\$ 662.3 million recorded in 2008 to US\$ 497.6 million. The decline is partly attributable to the drop in demand for the manufactured products in the neighboring countries following the global financial crisis.

### **3.1.3 MAJOR PRODUCTION AND INDUSTRIAL UNITS**

#### ***3.1.4 Food, Beverages and Tobacco***

The food manufacturing in Tanzania include manufacturing of dairy products, canning and preserving 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 and blending of spirits; manufacture of wines, cider and beer; 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.

### **3.1.5 Textiles, Clothing, Leather and Footwear**

Activities undertaken in this category include spinning, weaving and finishing of textiles as well as garments, knitting and the manufacture of carpets, rugs, cordage, rope and twines. The leather and footwear subsector include tanneries; leather finishing and manufacturing of products from leather such as luggage, handbags and purposes.

### **3.1.6 Wood products activities Accounted in the subsector**

Includes sawmills, planing and other wood mills manufacturing goods. Also included is the manufacturing of wooden containers, cane products and wooden products.

### **3.1.7 Paper and Paper Products**

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

### **3.1.8 Chemicals, Petroleum, Rubber and Plastics**

The chemical subsector comprises 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.

### **3.1.9 Non-metallic Mineral Products**

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

Boosted by robust growth in construction, Tanzania's cement industry has grown rapidly over the years, with three cement producers and a combined production capacity of *1.9 million tons per year*.

### **3.2.1 Basic Metal Products**

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

### **3.2.2 Fabricated Metals, Machinery and Equipment**

These 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.

### **3.2.3 Other Manufacturing Industries**

This covers products such as jewels and related articles, furniture manufacture, measuring and controlling equipment and optical goods. Production in this category has experienced an average growth of over 12 percent over the last decade.

### 3.2.4 NOTABLE PERFORMANCE OF SOME LOCAL INDUSTRIES

The goods whose production skyrocketed include Konyagi, which increased by 151.9 %, from 4,049,000 liters in 2008, up to 10,201,000 liters in 2009. Production of pyrethrum agro-chemicals also increased from 73 tons in 2008, up to 266 tones, equivalent to 264.4 % increase.

Production of wheat flour increased from 287,925 tons in 2008 to 368,885 tons in 2009, representing 28.1 % increase. Production of Chibuku brew also increased sharply from 10,235 liters in 2008, up to 16,141 tons in 2009, equivalent to 57.7 % increase.

Likewise, production of iron sheets ballooned to 50,664 tons in 2009, from 31,743 tons in 2008, equivalent to 59.6 % increase.

Production of batteries also increased to 78 million batteries in 2009, from 53 million batteries in 2008, representing 47.2 % increase.

Moreover, production of cement increased from 1,756 tons in 2008 up to 1,941 tons in 2009. This was caused by high demand of the commodity as consumption of cement skyrocketed from 1,940,845 tons in 2008 to 2,399,458 tons in 2009, equivalent to 58.5% increase.

However production of aluminum declined from 105 tons in 2008 to 58 tons in 2009, registering a 44.8 % decrease. Production of garments also declined from 7,783,000 square meters in 2008 to 7,913,000 square meters in 2009, a 34.9 % decrease.

Other goods whose production declined during the period under review include logs (16.6%), biscuits and spaghetti (1.5%), beers (2 %), cigarettes (4.4%) and iron (13%).

### 3.2.5 INVESTMENT OPPORTUNITIES

The priority sectors for investment include the following export-oriented manufacturing operations: Textile and garments; leather processing and leather products; lapidary, including gold, diamonds and gemstones; agro

processing; fish processing; wood and wood products; electrical and electronic appliances; and ICT industries

### **3.2.6 POLICIES AND REGULATORY FRAMEWORK**

The future discourse for industrial development in Tanzania is elaborated in the Sustainable Industrial Development Policy - SIDP". The main purpose of SIDP is to let out a path for industrializing Tanzania so that by the turn of the first quarter of the 21st Century it becomes a semi industrialized country.

In its approach SIDP embraces the principles of a market-led economy and competitiveness. It points out plainly that industry would only prosper in the hands of increased private sector participation both in decision making and implementation.

The government in this aspect has vowed to increasingly provide an environment which is welcoming, attractive, and stable and that can encourage private sector investment.

The private sector in its part should take all necessary initiatives to respond and manage challenges of globalization. Firms are challenged to pursue firm strategies which are geared towards building the necessary capabilities to enable them compete in the world market.

### **3.2.7 INDUSTRIAL SUPPORT ORGANISATIONS**

The government has established several institutions to render support services to the industrial sector. Among them are: The National Development Corporation (NDC), the Small Industries Development Organization (SIDO), the Centre for Agricultural Mechanization and Rural Technology (CARMATEC), the Export Processing Zones Authority (EPZA), the Tanzania Industrial Research Development Organization (TIRDO), the Tanzania Engineering and Manufacturing Design Organisation (TEMDO) and Tanzania Bureau of Standards (TBS).

### 3.2.8 CHALLENGES FACING THE MANUFACTURING SECTOR

- Poor technology;
- Insufficient industries/ factories;
- Unreliable market for the final processed goods;
- High cost of power, unreliability of power and underdeveloped infrastructure;
- Unreliable availability of raw materials;
- Small number of trained manpower.

### 3.2.9. CONCLUSION

The manufacturing sector holds the key to Tanzania's economic growth given the desire to diversify from agriculture and tourism to other sectors. Although the sector's contribution to the national economy has not significantly improved lately, there is every reason to believe that with proper policies and investment incentives in place, manufacturing sector is a growth area

## 4.0 BUSINESS DESCRIPTION

The light steel frame building in Tanzania is one of the most exciting developments in recent times in the steel and building industry. While the method of building has been used in Australia, US and Europe for decades. It was only recently introduced on our shores of Tanzania. It offers quality, cost efficiency and speed erection for residential and non residential buildings.

Tried ,tested and perfected over the last 50 years, steel frame houses have become the preferred way of building in countries around the world, including the US, Canada, Australia ,New Zealand, Britain and now Tanzania. The savings on time, costs waste and unsightly rubble speak to your pocket, but it is the impact on the environment and the way you can customize the steel frame to suit your ideal architectural style that attracts most.

Light steel frame building consists of structural wall frames and roof trusses, manufactured from cold formed light gauge galvanized steel sections. Exterior cladding can consist of a single skin brick wall or fiber cement boards, fixed to the walls frame which can be gladded with anything from slate to sandstone to marble to tiles. The gladded wall can also be filled with a concrete mix which we call solid wall services –electricity and plumbing are installed in the wall cavity created by light steel frames, as is an insulation material. Gypsum board, fixed to the light steel frame, typically used for internal wall cladding and ceiling.

### 4.1.1 Steel Frame Production and Construction

- Improve productivity by producing up to 700 lineal meters per hour of steel framing using the PINNACLE's Steel Frame Business Solution.
- Increase margins and keep to deadlines with a fast & efficient total build time encompassing machine throughput, frame assembly (screws per hour) transportation, on-site erection and lining and cladding.

- Due to steel's light weight, you can use smaller foundations leading to reduced costs and improved margins.
- Use PINNACLE's Steel Frame Business Solution to expand market share with the ability to tender for contracts requiring anything from high quality houses and villas, to highly repeatable site offices, port cabins, warehouses and worker accommodation (built using modular, prefab or transportable methods) to low-mid rise commercial buildings.
- Maximize returns by utilizing supervised, unskilled labour for frame assembly and erection.
- Increase profitability by maximizing the number of finished buildings through fast and efficient machine throughput and assembly only available with PINNACLE's Steel Frame Business Solution.

#### **4.1.2 BENEFITS OF LIGHT FRAME STEEL CONSTRUCTION SUSTAINABILITY**

- Light steel frame building offers designers and building owners the opportunity to minimize energy wastage during building operations as well as during the life of the building.
- The primary steel industry worldwide has recent times vastly improved production process as to minimize energy consumption and pollution. Further a large percentage of all scrap generated is re-used in electric arc furnaces to produce new steel, resulting in significant energy savings.
- As light steel frame building is an engineered building method, use of materials is optimized offering savings in energy used to produce the materials.

### 4.1.3 Durable and Safe

Use steel frames to enter and develop extreme environments where traditional building materials are not appropriate.

- Steel will not rot and is immune to pests meaning it can be used in environments where traditional materials, such as timber, will fail.
- Steel is non-combustible and won't contribute to the spread of a fire making it ideal in high-risk fire zones.
- Steel frame buildings are more resistant to the effects of severe hurricanes, tornados and lightning strikes due to its strength and superior earthling characteristics.
- Minimise rework or costly callbacks by utilizing steel framed buildings' inert character and insulation techniques to minimize moisture build-up, and therefore the formation of mould.
- Reduce rework and associated costs by using steel. Steel frames stay straight, do not move, warp, twist or shrink during or after construction significantly reducing ongoing maintenance.
- Steel does not have to be treated with pesticides, preservatives or glues resulting in indoor air quality and handling benefits – making trades people and consumers happier and healthier.

### 4.1.4 Environmentally Friendly

Develop a profitable, environmentally friendly business niche and participate in the sustainability trend by using steel.

- Steel possesses the highest strength-to-weight ratio of any building material (including timber and block) meaningless wastage placed into landfills.
- Much of the steel used to make light steel framing is recycled.
- When a steel frame building is demolished, the steel can be recycled.
- It takes approximately a quarter acre of mature trees to produce the wood framing for a typical house. The same house can be steel framed from three or four old cars.
- Steel can be recycled indefinitely without losing any of its qualities.
- When steel buildings are no longer required in their current location, they can be dismantled and re-erected elsewhere with no negative effect on the building.

- Almost half the world's steel production now takes place in electric plants that operate exclusively with recycled scrap and generate no CO<sub>2</sub> emissions.
- The by-products arising from steel production are all re-used. For example, slag is employed as a high-value mineral material for highway construction; as ballast; and for the manufacture of cement.
- Steel framed buildings can be very energy efficient. The strength of steel requires fewer wall studs, so there are fewer thermal bridges (uninsulated areas) to transmit heat.
- The depth of the steel beams provides a wider space for insulation.
- The design flexibility of steel frame buildings enables architects to focus on energy-efficient housing features.
- Debris from a typical wood framed home accounts for 1.4 m<sup>3</sup> of landfill waste, compared to only 0.1m<sup>3</sup> from a steel framed house.

#### 4.1.5 Strong and Design-Flexible

- Steel possesses the highest strength-to-weight ratio of any building material being used today – including timber and block – enabling less material wastage and improved margins.
- Steel's inherent strength can be used to place trusses further apart while still being structurally sound enabling increased profitability.
- Take advantage of the latest design trends for profitable business development. Steel frames and trusses allow trends such as open plan living and interior walls to be placed without load-bearing considerations to be met.
- Steel frames and trusses can be used with curved designs allowing for greater market relevance.
- Retain existing markets and gain all the benefits of steel framing by using PINNACLE's 3D modeling software to easily convert existing timber or block plans to steel and ensuring the finished product looks just like those built with traditional methods.
- Save time and money when dealing with design modifications in steel framed buildings – for example interior walls can be moved without a concern for structural support therefore there is no need to re-draw the entire design.

## 5.0 TECHNOLOGY

### *PINNACLE Certified*

#### Tested and Certified for Buildings all around the World

PINNACLE technology and manufacturing cold-formed steel systems can be confidently used for buildings anywhere in the world because they have been independently certified by the world's most recognized quality assurance systems and organizations.



- - A steel-framed house produced using PINNACLE's Steel Frame Business Solution can be completed in approximately ½ to 2/3 the time of a conventional brick and mortar home, again leading to more profitable projects.
  - Steel frames are extremely strong and lightweight, requiring less material than timber or block methods leading to cost savings.
  - Steel frame components are easy to transport and use, minimizing transport costs while speeding construction time.
  - Low-cost, low skilled labour can be used for assembly and construction as the modeling and fabrication phase of the steel frame manufacturing process contains the intelligence
  - Precise project budgets can be made due to the accuracy of steel frame building methods and less material wastage.
  - Projects are more likely to be completed on time and on budget due to PINNACLE's steel framing's production machinery being 100% computer controlled and accurate to +/- 0.5mm. The framing is 100% square and straight enabling trade's people to eliminate time compensating for non-linear framing.
  - PINNACLE's steel framing machines pre-punch electrical and service holes, meaning reduced time on site for plumbers and electricians leading to reduced labour costs.

### 5.1.1 Steel Frame Transportable / Prefab Buildings

The revolutionary PINNACLE Steel Frame Business Solution integrates automated steel manufacturing equipment, design & engineering software, quality building products and extensive support & training programs resulting in the following benefits for your business:

- Increase profitability by lowering the total cost of design and build (manufacture, assembly and transport).
- Extend your market share with the ability to tender for contracts requiring anything from site offices, schools to ablutions to port cabins and low – mid rise worker accommodation.
- Maximize returns by utilizing supervised, unskilled labour with PINNACLE's easy to use Steel Frame Business Solution.
- Increase margins and keep to deadlines with a fast & efficient total build time.
- Increase profitability by maximizing the number of finished buildings through fast and efficient machine throughput and assembly.
- Maximize margins through highly repeatable, low cost designs.

We'll depend on our dominance of the latest technology, we must remain on top of new technologies in the display, input and output and communications.

Our assembly patents are an important competitive edge. No competitor can match the way we turn a drawback having to assemble the product into a feature. Our customer survey confirms our customers take the interlocking assembly system as an enhancement to the sense of the quality.

### 5.1.2 Quality Fasteners and Fastening Tools

For successful and profitable projects use the PINNACLE range of screw fasteners, pneumatic pin fasteners, brackets & connectors and associated tools. The PINNACLE range has been developed with four key factors in mind:

- Speed (quickly and easily secure screws consistently)
- Durability (long-term corrosion resistance)

- Certified Performance (all products have been tested for shear strength, pull out load and corrosion resistance and meet relevant internationally recognized manufacturing standards)
- Reliability and quality

### 5.1.3 Screw Fasteners and Tools

PINNACLE offers a comprehensive range of specialist screws specifically designed for light gauge steel construction. The range includes screw fasteners for steel frame wall panel & truss assembly, exterior cladding, roofing, interior lining, flooring and other applications.

Improve efficiency, reduce labour costs and speed up construction by using the PINNACLE range of quality fastening tools.

### 5.1.4 Pneumatic Pin Fasteners

For the fastest speed of construction, pneumatic pins can be used and achieve similar results to screws. Specialized pins are available for fastening steel-to-steel up to 3mm thick, as well as fastening cladding, flooring and sheathing onto steel framing. High-pressure pins are also available for fastening into concrete.



### 5.1.5 Brackets and Connectors

Brackets are a critical link in a building's structural integrity. Therefore it is essential to use brackets with known engineering values that are produced in quality assured facilities. The PINNACLE range of brackets and connectors

includes anchors, hold-downs, multigrips, joist hangers, strap bracing, seismic and hurricane ties.

### 5.1.6 PINNACLE Certified Steel

Ensure the structural integrity of your buildings and optimize the performance of your machines by using PINNACLE certified, quality steel.

PINNACLE ensures excellent service and dependable, quality supply of steel at competitive prices, globally.

Available steel products include:

- Coil – Galvalume, Zinalume, Galfan, ZAM, Electro galvanized, Galvanized, Stainless Steel, and Aluminum supplied in master coils or slit to any width.
- Galvanized hollow sections (tubes, pipes, RHS and SHS)
- Wire products
- Deformed bar
- Wire rod coils
- Structural steel – angles, channels, beams, and flat bars
- Advanced UV and corrosion resistant coatings using the latest advanced paint technologies including Polyester, Silicon Modified Polyester (SMP) and PVDF

### 5.1.7 PINNACLE Cladding and Lining

The PINNACLE range has been developed with three key factors in mind:

- Speed – for the ultimate rapid construction, use PINNACLE's pre-primed or prefinished cladding and linings.
- Durability – all products are low maintenance, fire & moisture resistant, and dimensionally stable
- Performance – all products meet relevant internationally recognized manufacturing standards and can meet even the most demanding fire, thermal or acoustic requirements

### 5.1.8 Roofing

- Resistant to UV as only top quality coatings and primers are used
- Corrosion resistant as the steel is pre-treated with scientifically formulated corrosion resistant coatings and corrosion inhibitive primers
- Highly durable with excellent color retention for long lasting finishes
- Customizable with double-sided product options and a wide range of color options
- Multipurpose as Collocate can also be used for external cladding (popular for commercial project)

## 6.0 MARKET ANALYSIS AND SUMMARY

### 6.1.1 TARGET MARKET SEGMENT

Our target market is Mines, Government and private individuals who wants to have state of art durable buildings at lesser cost. The individuals can be in a corporate tower, small or medium business or in a home office. The common bond is the appreciation of quality and the lack of price constraints.

Our segment definition is of itself strategic. We are not intending to satisfy all users of light steel structures, but, rather only those who are most demanding. We are definitely out to address the the needs of the high end buyers, who is willing to pay more for quality.

In our particular market, we also seek the buyer who appreciates two attributes; The quality of steel workmanship and the excellence of design, with the understanding of technology built in it.

### 6.1.2 MARKET NEEDS

We understand that our target markets needs more than just light steel frames. The need to grow out of demands of quality and durability of the products, our target customers want to have all of that plus fine light steel. There is a need for quality reassurance of light steel frames and good workmanship. We don't have just to sell light steel frame, we sell industry and home environment and design, plus workmanship.

### 6.1.3 MARKET GROWTH

According to source, the market for light steel frames is growing at 8% percent per year, and is projected to increase. As the cost for timbers, iron rods, cement goes up, while the number of offices goes up.

According to sources Mines and households spent about 40billion last year on light steel frames.

#### 6.1.4 STRATEGY AND IMPLEMENTATION

We focus on a special kind of customer, the person who wants very high quality light steel frame customized to work beautiful with modern technology. Our customer will be Mining, Government and individuals. What are important to the customer are elegance, fine workmanship and ease of use.

Our market strategy assumes that we need to go to into specialty channel to address our target customer market needs. The tie in with our high end customer catalog like is perfect. We position as the highest quality, offering status and prestige levels of purchase.

The product strategy is also based on quality, in this case the intersection of technical understanding with very high quality steel working and professional materials, and workmanship.

Our most important competitive edge is our assembly strategy, which is based on interlocking steel pieces of high quality that assembly is not just a pleasure to our customers; it is actually a feature which enhances the sense of quality.

Our products are positioned very carefully: This is high quality light steel combined with workmanship for customer who understands quality, is a user of high technology equipments, and is willing to spend money on the best. Unlike the mainstream products we do not use cheap manufacturing technology.

## **7. FINANCIAL EVALUATION/ ANALYSIS**

**Capital Expenditure:** The Company plans to invest about US\$ 2,739,300 as indicated under Appendix I & II of the Financial Projections section of this document. The main investment items are indicated in the same appendices which also show the implementation plan. The specific activities to be financed are:

### **7.1 .1 Land and Buildings**

Construction of processing buildings as well as office premise, structures and civil works

A budget of US\$ 820,050 has been allocated for this item.

### **7.1.2 Plant, Machinery & Equipment**

In this item includes procurement of air compressors, procurement and installation of roll form machinery and high tensile steel sheets, procurement and installation of Standby Electric Power Generator, procurement of ceiling battery, color bond roof sheeting and all other necessary equipment such as forklifts and fabrication equipments.

A budget of US\$ 1,150,250 has been set aside for this activity.

### **7.1.3 Motor Vehicles**

The amount of US\$ 462,000 is considered adequate for this item.

### **7.1.4 Pre- Expenses**

These expenses are budgeted for: Pre-investment Studies, Company Registration Cost, Fees for Licenses, Permits and Authorizations required before carrying out this business activity and Key staff recruitment and training.

These pre-operational expenses are estimated at US\$ 25,000

### 7.1.5 Furniture and Fittings

The amount of US\$ 92,000 is considered adequate for this item.

### 7.1.6 Working Capital

This item largely covers pre-production supplies in the new project. The amount of US\$ 190,000

### 7.1.7 INVESTMENT BREAKDOWN AND FINANCIAL PLAN

The proposed project capital investment during the next three years (2012 to 2014) is summarized in the table as follows:

S/N	CAPITAL ITEM	AMOUNT
1	Land/ Building	820,050
2	Plant and Machinery	1,150,250
3	Vehicles	462,000
4	Furniture and Fittings	92,000
5	Pre- Expenses	25,000
6	Working Capital	190,000
	<b>TOTAL</b>	<b>2,739,300</b>

Financial projection for this project expected to be funded with owner's equity by 100%. The total investments estimated to be US\$ 2,739,300.

### 7.1.8 Projected Sales Revenue and Direct Overheads

Amounts in USD

ITEM	2014	2015	2016	2017	2018
Sales Revenue	3,600,000	4,500,000	5,300,000	5,350,000	5,350,000
<b>DIRECT OVERHEAD COSTS</b>					
Cost materials	3,168,000	3,960,000	4,752,000	4,752,000	4,752,000
Import cost	108,000	135,000	162,000	162,000	162,000
Salaries and wages	21,000	25,800	30,600	30,600	30,600
Water	800	920	1,040	1,040	1,040
Electricity (including standby power generator)	1,550	1,910	2,270	2,270	2,270
Repair and maintenance	2,600	3,800	3,800	3,800	3,800
Motor vehicle running costs	8,500	8,500	8,500	8,500	8,500
Direct marketing costs	3,000	4,000	5,000	6,000	6,000
Insurance	2,500	3,200	3,800	3,800	3,800
<b>TOTAL DIRECT OVERHEAD COSTS</b>	<b>3,315,950</b>	<b>4,143,130</b>	<b>4,969,010</b>	<b>4,970,010</b>	<b>4,970,010</b>
Profits	284,050	356,870	330,990	379,990	379,990

### 7.1.9 Financial Viability

The analysis of the proposed project shows that the project can generate a fairly good profit and that it generates sufficient cash to meet its financial obligations. The review is given below under the following sub – sections:

Fundamental Assumptions, Capital Expenditure and Financing, Operating Costs, Working Capital Requirements, Projected Profitability, Projected Balance Sheets, Projected Cash Flow, Discounted Cash Flow, Projected Balance Sheets, Net Present Value and The Pay Back Period.

### 7.2.0 Fundamental Assumptions

The preparation of the financial projections took into account the following main assumptions:

The operating period under which the viability for the project is being evaluated is 10 years.

The capital cost of the proposed project is US\$ 2,739,300

#### Amounts in USD

S/N	CAPITAL ITEM	AMOUNT
1	Land/ Building	820,050
2	Plant and machinery	1,150,250
3	Vehicles	462,000
4	Furniture and fittings	92,000
5	Pre-expenses	25,000
6	Working capital	190,000
	<b>Total</b>	<b>2,739,300</b>

All calculations throughout the economic lifetime of the project are constant with January 2013 being the base date.

The projected direct operational costs are shown under Appendix V

The main revenue source is from building house structures from light steel. The price of one house is estimated to be \$ 56,500/=.

The average cost of light steel is expected to be 40,000/= per one house.

The company will employ 30 permanent staff and 70 part time workers

The minimum wage is expected to be \$150 per month

The imported high tensile steel sheets will costs \$ 25,000 maws will be shipped in 20-foot containers, and each container will accommodate 20 buildings.

Local transportation from Mwanza to Dar as Salaam Port for a 20-foot container is estimated at US\$ 2000

Production is assumed to increase by 25% in year two of operation, and 20% in year three and remain in this level in all subsequent years after injecting capital of US\$ 2,739,300

Capital expenditure has been assumed to be incurred for a continuous period of 2 years.

The financial plan is for the shareholders to finance the project through own equity and profit plough back.

Economic depreciation rates based on useful lifetimes of the various capital items have been adopted. The following facts apply for the depreciation rates in this project:

- Building and Civil Works are depreciated at 5% Straight line. Most buildings are supposed to last for about 25 years.
- Equipment, Processing Machinery and Operating Tools and Equipment 12.5% and therefore replacement are after 8 years. Scrap value is put at 35%
- Utility Motor Vehicles re depreciated at 20% with scrap value estimated at 20%
- Furniture, Fixture & Fittings at 12.5%

The computation for depreciation is shown in the Depreciation and Amortization Schedule below:

#### DEPRECIATION AND AMORTIZATION SCHEDULE

CAPITAL ITEM	CAPITAL	DEP RATE	SCRAP VALUE	DEPRECIATION		
				2014-15	2015-16	2017-18
Land and Buildings	820,050	5%	50%	20,501	20,501	20,501
Plant	1,150,250	12.50%	35%	93,457	93,457	93,457
Vehicles	462,000	20%	20%	73,920	73,920	73,920
Furniture and fittings	92,000	12.50%	15%	9,775	9,775	9,775
Pre-operating expenses	25,000	20%	0%	5,000	5,000	5,000
<b>TOTAL</b>	<b>2,549,300</b>			<b>202,653</b>	<b>202,653</b>	<b>202,653</b>

### 7.2.1 Working Capital Requirements

Ideally, working capital requirements are directed by the volume and business tempo. Initial working capital and others is budgeted at US\$ 190,000.

### 7.2.2 Projected Profitability

The projected profit and loss account is shown in the Income Statement of the Financial Projections Schedules (Annex X). On the basis of the operating assumptions and cost the proposed investment is expected to be profitable right from the first year of operation. The after tax profits (US\$) are as follows:

YEAR	NET PROFIT	AS % OF SALES
1 <sup>st</sup> Year	284,050	7.8%
2 <sup>nd</sup> Year	356,870	7.9%
3 <sup>rd</sup> Year	330,990	6.2%
4 <sup>th</sup> Year	379,990	7.1%
10 <sup>th</sup> Year	420,044.40	7.1%

### 7.2.3 Cash Flow Projection

The liquidity performance of the project is shown under the Financial Flows of the Financial Projection Schedules. The projections take into account the assumed sources and applications of funds over the planned period and show the ability of the project to meet financial obligations and capital expenditure requirements.

Over the projected period of ten year the cumulative cash balance is US \$ 951,811.20.

#### 7.2.4 Financial Review

The financial review of the proposed project shows that.

#### 7.2.5 The project is profitable

The liquidity position is sound and that is should be able to meet its financial commitments without any undue difficulty as indicated in the Debt Service Schedule under the Financial Statements.

The operations are financially viable.

The key ratios are acceptable with Internal Rate of Return (IRR) at 18.30%, positive NPV Ratio of 1.15 and a Payback Period of 6 years at Normal Payback at zero discount rate, and 6.24 years at the Dynamic Payback at the assumed 2.5% discount rate (interest).

It is therefore recommended that the project should go ahead as conceived.

## **8.0 ECONOMIC REVIEW**

### **8.1.1 CONTRIBUTION OF THE PROJECT TO ECONOMIC DEVELOPMENT**

The project will serve as an additional source of quality products in the Market. The project will also contribute to the growth of the economy through generation of new employment, increase in government revenue through payment of taxes, and through a multiplier effect that would arise through sells of the products to wholesalers.

### **8.1.2 Need for Sustainability**

In order to sustain the project, it is expected that 20% of yearly income will be placed in a special account for maintenance, future development purpose. This will include carrying out expansion program by forklifts, cranes, vehicles and undertaking special projects aimed at enhancing smooth services provision.

It is expected that by year 2014 the project will be sustainable and that financial support will be at minimal except for special cases or unforeseen event.

## 9.0 RECOMMENDATIONS

The project is technically feasible, financially and economically viable and environmental friendly. A fast implementation of the project is highly recommended to avoid cost overruns and for the project to be able to realize the benefits outlined above; especially at this juncture when the Government is making effort to boost investment in various sectors in the economy.

In view of the above it is further strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to facilitate smooth implementation.

