

MALALI INVESTMENTS CO LTD

МАЛЛИ ИНВЕСТИМЕНТС КОМПАНИ

МАЛЛИ ИНВЕСТИМЕНТС КОМПАНИ

СССР
ФИЛИАЛ

ИНДЕКС НЕВДИС

Счетный номер карты	№ Акта №	Имя Фамилия	Дата	Сектор №	№ Код	Сектор №	№ Код	Дата	№ Акта №	Счетный номер карты	№ Акта №	Имя Фамилия	Дата	Сектор №	№ Код
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MINUTE SHEET

Dokezo
No.

TO : DIF
FROM : ZM (N)
DATE : 15TH AUGUST 2011

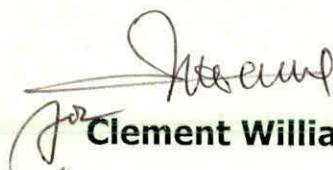
MS MALALU INVESTMENTS CO. LTD - MOSHI

I am forwarding to you **Ms Malalu Investments Co. Ltd - Moshi** application for consideration for the award of a Certificate of Incentives.

I have checked and ensured that the following documents are attached to assist you in processing this request at the earliest:

- 1 copy of Application Letter
- 1 copy of Board Resolution
- 1 copy of Certificate of Incorporation
- Bank reference letter from Standard Chartered Bank
- 1 copy of TIC Application Form
- 1 copy of Lease Agreement
- 1 certified copy of Certificate of Occupancy
- 1 copy of Memorandum and Articles of Association
- 1 copy of Business Plan

I submit


Clement William

MINUTE SHEET

Dokezo
No. 2.0

Ag. EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1.646

(b) Legal entity has been incorporated under certificate

No. 86689 of 29/12/2011

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

Submitted for signature.



N.A Senzia

DIF

25th August, 2011

2.0

EXD ✓

In response to the TIC letter of registration dated... 25th August 2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from... Standard Chartered Bank

(c) Lease Agreements on evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 842086 herein attached.

9/11/2011



DIF

CERTIFICATE OF OCCUPANCY

40

Telephone No. 53210

MINISTRY OF LANDS,
LAND REGISTRY,
P.O. Box 100,
MOSHI.

Ref. No. LR/MS/T/13352/4

Date: 19th May
MARCH 1998

To: PRINICARE TANZANIA LIMITED
P.O. Box 8002, MOSHI

Sir/Gentleman/Madam,

RE: THE LAND REGISTRATION ORDINANCE (CAP. 334)

TITLE NO: 13352 L.O. NO: 150249 PLOT NO. 51

BLOCK NO: NJ. KARANGA INDUSTRIAL AREA MOSHI MUNICIPALITY

I have the honour to enclose herewith the duplicate of Certificate Title numbered as above.

Please endorse your signature on the enclosed form of receipt and return the same to me in due course.

I am, Sir/Gentleman/Madam,
Your Obedient Servant

[Signature]
Principal Assistant Registrar of Titles
MOSHI

c.c. The Regional Land Officer,
P.O. Box 97
KILIMANJARO/MOSHI/TANGA.

Date of 907-12-96

Certified True Copy of the original document.



Advocate; Notary Public & Commissioner for Oaths

TITLE No. 13352

REGISTERED ON
19-3-98
at 9.00 a.m.



Stamp Duty Shs 100/= Paid
and Revenue Receipt No. 0350916
of 17-8-95

Signature No. 150249

Asst. Registrar of Titles

Signature
Asst. Registrar of Titles

Stamp Duty Shs 1440/= Paid
in Original Revenue Receipt No.
0350916 of 17-8-95

CERTIFICATE OF OCCUPANCY

The 7th day of December

Signature
Asst. Registrar of Titles

nine hundred and ninety five ^{six} ccc/lx

TITLE NO. 13352 LAND REGISTRY, MOSHI

THIS IS TO CERTIFY that PRIMIVARE TANZANIA Limited, a limited liability Company incorporated in Tanzania and having its registered office in Moshi of P.O. Box 8002, Moshi (hereinafter called "the Occupier") is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the land described in the Schedule hereto (hereinafter called "the Land") for a term of ninety nine years from the first day of July One thousand nine hundred and ninety five according to the true intent and meaning of the Land Ordinance 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 having paid rent up to the thirtieth day of June, 1996, shall thereafter pay rent of shillings twenty eight thousand five hundred Shs. 28,500/= a year in advance on the first day of July in every year of the term without any deduction PROVIDED that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years 2005, 2015, 2025, 2035, 2045, 2055, 2065, 2075 and 2085 or within the years thereafter in each case.

2. The Occupier shall:-

- (i) Erect on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conforms to the building line (if any) decided by the Moshi Municipal Council (hereinafter called "the Authority");
- (ii) By the thirty first day of December, 1995, submit to the Authority such plans for the buildings (including block plans showing the position of the building) and such drawings, elevations and specifications of them as will satisfy the Authority and as are in accordance with the building condition in sub-paragraph (i) above which said plans and specifications shall be submitted in triplicate.
- (iii) Within six months from the date of notification by the Authority of approval of the plans and specifications referred to in sub-paragraph (ii) above begin building on the land in accordance with such plans and specifications;
- (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the thirtieth day of June, 1996;
- (v) At all times during the term after the thirtieth day of June, 1996, have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner")

Certified True Copy of the original document.

Advocate; Notary Public & Commissioner for Oaths





Certified True Copy of the
original document
Advocate, Notary Public &
Commissioner for Oaths

Medical Officer of Health.

(11) provided and maintain on the land such sanitation facilities and take
maintain such hygienic measures as may be required by the said

(12) take and keep all the buildings on the land rat-proof and carry out
such measures as the Medical Officer of Health for the authority
may require for the purposes;

(1) made and maintain on the land throughout the term adequate
arrangements for water supply, drainage and disposal of trade
refuse and effluent to the satisfaction of the authority;

5. The Occupier shall further:-

4. Except as hereinafter provided the Commissioner shall have an absolute
discretion to give or withhold consent under condition 3(1). Any dealing or
agreement (other than a mortgage or charge) entered into before compliance
with condition 2(iv) will not require consent except in special circumstances
of which the Commissioner shall be the sole judge.

(11) Occupation or use of the whole or any part of the land or building
on it by any person other than the occupier or the employees agents contractors
or members of the household shall be deemed a dealing with the land or
building.

to a sub-letting of the whole or of the land or of the whole or any part
of any building on it where the sub-letting conditions sufficient
to ensure compliance with the conditions of the right.

3. (1) The occupier shall not subdivide the land or building, sublet
or otherwise dispose of or deal with the whole or any part of it or of any
building on it or part thereof without the consent of the Commissioner
PROVIDED that after condition 2(iv) has been complied with by the occupier
the consent of the Commissioner shall not be necessary:-

of any condition in the right.
under the conditions of the right and shall not apply unless of modification
the construction of such a building will satisfy the occupier's obligation
approval of plans of any building by the authority shall not apply that

(vii) Be responsible for the protection of all persons on the land throughout
the term of the right. The persons will have to be re-estimated
at any time at the occupier's expense as assessed by the Commissioner
for surveys and mapping.

(vi) Not erect or commence to erect on the land and building except in
accordance with building plans and specifications which shall have
been first approved by the authority as hereinafter provided;

6. The Occupier shall pay to the Minister on demand made by the Commissioner on his behalf:-

- (i) any further fees or stamp duties which may be discovered to be payable by the Occupier in connection with the Right;
- (ii) an amount equal to any contribution in lieu of rates which may be payable by Government for the land during the term of the Right;
- (iii) such sum as the Commissioner shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoins, wheth er such demand is made before during or after such making or improvement thereof. This condition does not oblige the Government to make or improve roads.

7. The land and the buildings to be erected thereon shall be used for General Industry purposes only. Use Group "O" use class (a) Use Group 'L' Use Class (a), Use Group 'C' Use class (a) as defined in the Town and Country Planning (Use Classes) Regulations, 1960.

8. The President may revoke the Right for good cause and in public interest.

SCHEDULE

All that land known as Plot No. 51 Block 333 Maranga Industrial Area Moshi Municipality containing eight thousand four hundred ninety five (8495) Square metres shown for identification only edged on the plan attached to this Certificate and defined on the registered survey plan numbered 18792 deposited at the Office of the Commissioner for Surveys and Mapping at Dar es Salaam.

GIVEN under my hand and seal and by Order of the Minister the day and year first above written.


CHARLES MWANUZI

Certified True Copy of the original document.

Advocate; Notary Public & Commissioner for Oaths



THIS with-mentioned **PRINCIPALS TANZANIA LIMITED** hereby accept the te
and conditions contained in the foregoing certificate of Occupancy.

SEALED with the COMMON SEAL of the said
PRINCIPALS TANZANIA LIMITED and delivered
in the presence of us this
17th day of 4th December
1995

Full Name **R. ROMAN SKENNA KIMWELU**

Signature *R. Roman Skenna Kimwelu*

Postal Address **8002**

..... **MOSSH TANZANIA**

Qualification **MANAGING DIRECTOR**

Full Name **ROSTEE ROMAN KIMWELU**

Signature *R. Roman Skenna Kimwelu*

Postal Address **8002**

..... **MOSSH TANZANIA**

Qualification **DIRECTOR**

Certified True Copy of the
original document.

Advocate: Notary Public
Commissioner for Oaths



LEASE AGREEMENT

Agreement has been reached today the 2.....day of August..... in the year Two Thousand and Eleven.

Between

Print Care (T) Limited of P. O. Box 8002, Moshi and Physical address: Plot No. 51 Block "JJJ" Karanga Industrial Area in the municipality of Moshi (hereinafter referred to as "*the lessor*") on the one part;

And

Malalu Investments Co. Limited of P.O. Box 8002, Moshi (hereinafter referred to as "*the lessee*") on the other part.

Whereas the lessor is the lawful owner of property under registered Right of Occupancy No. 13352; L. O. Number 150249 of the Plot No. 51 Block "JJJ" situated in the Karanga Industrial Area, in the municipality of Moshi district valued at Tanzanian shillings **One Billion and Fifty Million** (as per valuation conducted in 2009);

Whereas the lessee is a legal entity – a company limited by shares with a certificate of incorporation No. 80689 of 29th December 2010, is desirous of holding on lease, the buildings the *Lessor's* plot mentioned hereinabove under this agreement, for the purpose of establishing and running a factory for Water Extraction, Treatment and Packaging for sale on the said plot;

Whereas the two directors of the *lessor* are also the promoters of the Water Extraction, Treatment and Packaging project and the Directors of the *lessee* with a total holding of 70% shares of the *Lessee*;

And

Whereas the lessor has agreed to let the said property on the above mentioned plot to the lessee under this agreement in his free will, without any duress.

Note: In this instrument pronouns of the masculine gender shall also represent connotation of the *lessor* and the *lessee*, both of whom are bodies corporate.

NOW THIS AGREEMENT WITNESSETH the following covenants:

1. The lessor shall let the said plot to the lessee for a period not exceeding twenty five (25) years from the date of signing this agreement, at an annual rent specified in paragraph six (6) hereinbelow, on the terms and conditions contained herein;
2. The lessor shall on signing this agreement, let the lessee enjoy peacefully the demised premises throughout the tenure of this lease without any interference whatsoever, unless there is a breach of any of the covenants herein on the part of the lessee;

3. On the lapse of the initial period of twenty five (25) years, tenure of lease of the above mentioned premises can be negotiated and renewed, terminated and/or reviewed by mutual agreement of the parties to this agreement;
4. The lessor shall allow the lessee to invest on the demised premises by way of renovating, refurbishing and or making alterations on the buildings, furnishing the buildings, and installing all the equipment and machinery needed in the establishment of a factory; design and develop infrastructure on the said premises as the need may arise;
5. The lessee shall on completion of establishing the factory, operate the same on the demised premises as he may wish, provided that he will use the premises for no other purpose than the agreed factory establishment and allied activities;
6. One (1) year after signing this agreement or immediately after establishing the factory, whichever is earlier, the lessee shall start paying annual rent to the lessor at a rate of Tanzanian shillings 12,000,000 (*Twelve million only*) for the first five (5) years of this lease agreement without failing. Rent on the subsequent twenty (20) years shall be reviewed and agreed upon between the parties on five (5) yearly terms;
7. Payment of annual rent shall be done in advance, that is, in the first month of each calendar year. The annual rental period shall thus start at the beginning and end at the ending of each calendar year;
8. The lessor shall pay the statutory land rent(s) for his property as required by the law, including all other land taxes/levies as they may be imposed by both the central and local government authorities from time to time;
9. The lessee may use the title of the property under this lease agreement to secure loan(s) from financial institutions, for the purpose of facilitating investment(s) in the proposed factory establishment on the property, in which case the lessor shall guarantee collateral of the loan(s)/credit facilities. Provided that, the duration for repayment of the loan(s) and or any other credit(s) under this arrangement shall not extend beyond the tenure of the lease agreement;
10. Without prejudice to paragraph three (3) hereinabove, the lessee shall surrender the demised property back to the lessor on the lapse of twenty five (25) years from the date of signing this agreement;
11. In implementing paragraph ten (10) above, the lessor shall pay to the lessee an amount of money equivalent to the **book value** of all the fixed assets and developments made on the property by the lessee (*if any*), to compensate investment costs incurred by the lessee before repossessing the demised land including all landed property on it;
12. Parties to this agreement shall maintain good relationship between them and shall seek to settle any disagreements amicably and or through mediators whenever the need arises;

13. If any of the parties to this agreement defaults in the performance of any of the covenants or conditions hereof, the aggrieved party by such default, shall give notice to the defaulter seeking for remedy arising thereof. If the defaulter does not cure any such default within thirty (30) days, after receiving such notice, or if the default is of the nature that it cannot be completely cured within such period, and the defaulter is not willing to specify a period of time within which he can take remedial measure(s), the aggrieved party shall seek remedy through a court of law;
14. This lease shall be terminated by either of the parties by giving six (6) months notice, clearly stating reason(s) for termination. Provided that, termination of this agreement shall not be initiated during a time when the demised property is under mortgage;
15. All notices to be given under this agreement shall be in writing and shall be addressed at the addresses shown hereinabove, or at such other places as may be designated by the parties from time to time. A notice shall be effective upon delivery to the other party.

In witness whereof the parties to this agreement have set their respective hands hereunto, in the manner shown hereinbelow on the date first above written.

The said Lessor:

Name: ROMAN S. KIMARYO
 Signature: [Handwritten Signature]
 Designation: CEO/Secretary

.....
 Official Stamp or Seal

The said Lessee:

Name: ROGERS R. KIMARYO
 Signature: [Handwritten Signature]
 Designation: DIRECTOR



.....
 Official Stamp or Seal

Before witness:

[Handwritten Signature]

Commissioner for Oaths and Notary Public



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We ROMAN SALEMA KEMARYO
(director/directors/agent of MALAKU INVESTMENTS CO. LTD.
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at MOSHI MUNICIPALITY
PLOT 51 BLK "JJJ" KARANGA INDUSTRIAL AREA

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 MOSHI MUNICIPALITY
4. The Principal Officers of the Company are MANAGING DIRECTOR AND
DIRECTORS
5. Auditors of the Company are SOLANI & COMPANY CERTIFIED
ACCOUNTANTS AND AUDITORS
6. The authorized share capital of the Company is Tshs./US\$ 25,000,000/= (TWENTY
FIVE MILLION)

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,644,651,000/=
8. The month and day of the financial year end is 31st 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\$ 150,000/= Being the Registration Fees. **In the event this application is unsuccessful we understand that this fee will not be refunded.**

I, ROMAN S. UEMARYO of Post Office Number 8002, MOSHI do solemnly and sincerely declare that I am a director/~~only~~ authorized agent of MALAKU INVESTMENTS CO. LTD.

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


Declared at MOSHI Dar es Salaam }
 }
 The 2 day of AUGUST, 2003 }

[Signature]
 Applicant

Before me:

[Signature]

 Commissioner for Oaths



APPLICATION SUMMARY

Company Name: MALALI INVESTMENTS CO. LTD.

Certificate of Incorporation Number: 80689 Status: LIMITED COMPANY

Certificate of Incorporation Date: 29th DECEMBER 2010 BY SHARES

Post Box: 8002

Town: MOSHI

Sector: MANUFACTURING

Sub-Sector: BEVERAGE BOTTLING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
—	<u>598,451,000/=</u>	—	<u>7,046,200,000/=</u>

Project Objectives: BUILDING & OPERATING A MODERN WATER TREATMENT & PACKING FACTORY; CREATING EMPLOYMENT OPPORTUNITIES TO 44 SKILLED AND SEMI-SKILLED TANZANIANS

Capacity: 66,000 litres of packed water a day

Employment: Foreign: — Local: 44 Total: 44

Implementation Period: 2 YEARS

Project Location

Site/Plot/Block No.: PLOT 51 BLOCK "JJJ"

Street: KARANGA INDUSTRIAL AREA District: MOSHI MUNICIPALITY Region: KILIMANJARO
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>ROMAN S. KEMARYO</u>	<u>TANZANIAN</u>	<u>50%</u>
<u>GRACE R. KEMARYO</u>	<u>— u —</u>	<u>20%</u>
<u>ROGERS R. KEMARYO</u>	<u>— u —</u>	<u>10%</u>
<u>ALBERT R. KEMARYO</u>	<u>— u —</u>	<u>10%</u>
<u>RAYMOND R. KEMARYO</u>	<u>— u —</u>	<u>10%</u>

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

Land/Building 283,952,000.....
Plant & Machinery 846,700,000.....
Vehicles 361,500,000.....
Furniture & Fittings 22,500,000.....
Pre-expenses 45,000,000.....
Others Equipment 84,999,000.....
Working Capital —.....
TOTAL 1,644,651,000.....

Contact Details:

Name: ROMAN S. KEMARYO.....

Title: MANAGING DIRECTOR.....

Telephone: 027 2750825.....

Fax: 027 275349.....

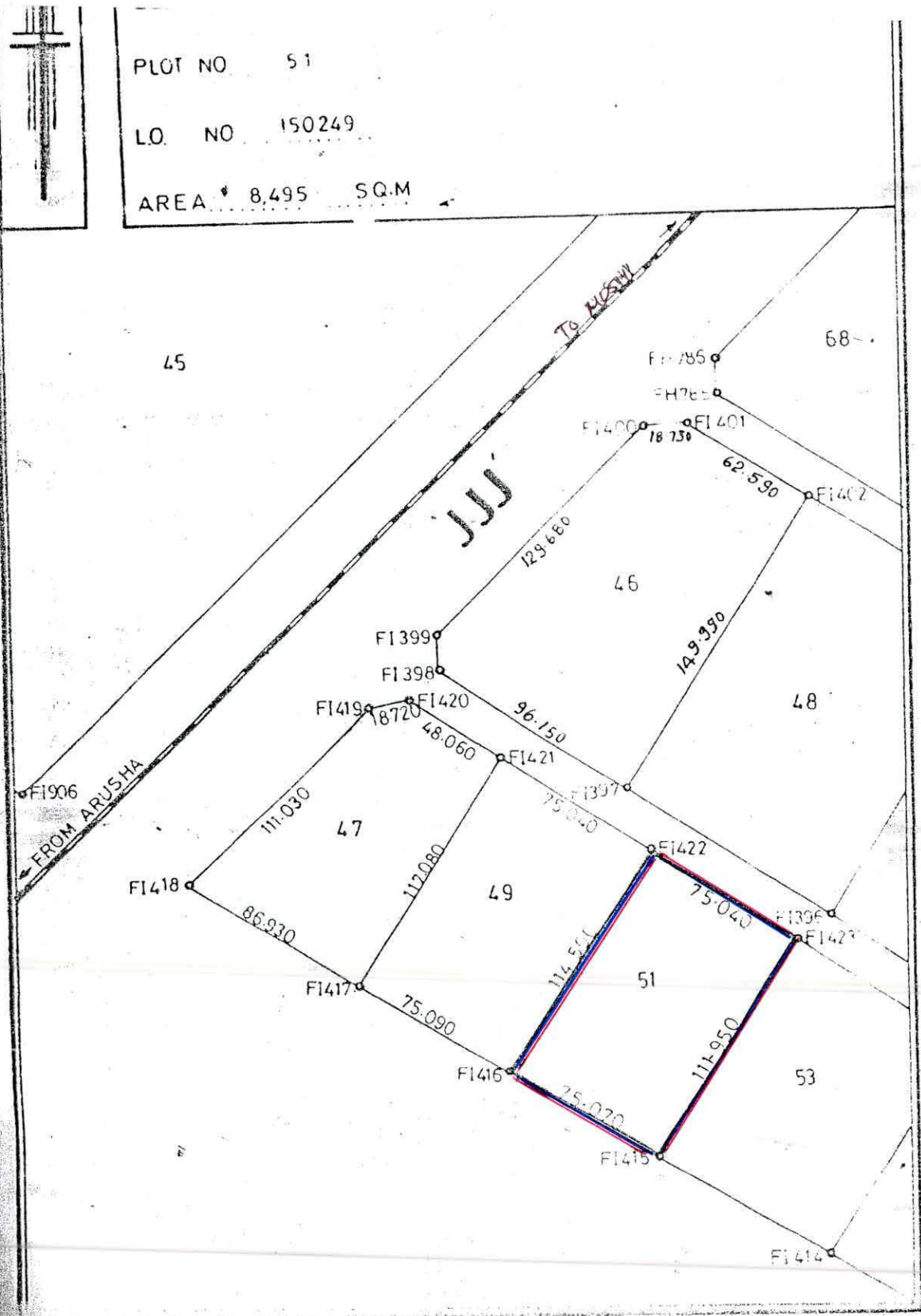
Email: printcare@printcare.co.tz.....

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

PLOT NO. 51
 L.O. NO. 150249
 AREA 8,495 SQ.M







TIC Evaluation Report

Name of the Company
Malalu Investments Co. Ltd.

Post Box	Karanga Industrial Area, Plot No. 51 Block Jj	COI Number	80689	Contact	Mr. Roman S. Kimaryo
Post Office	8002	COI Date	29/12/2010	Designation	Managing Director
Region	Kilimanjaro	Application F. No	03777	Phone	027 27 50825
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0
		Sub Sector	Beverages Bottling	Fax	027 27 5349
		File No	042086	E-Mail Address	Printcare@Printcare.Co.Tz

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot no. 51 Block JJJ	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0.598</td> <td>0</td> <td>1.046</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.598	0	1.046			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.598		0	1.046									
Street	Karanga Industrial Area												
District	Moshi Urban												
Region	Kilimanjaro												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
Raymond R. Kimaryo	Tanzanian	10	0.284	0.847
Albert R. Kimaryo	Tanzanian	10	Vehicles	0.362
Rogers R. Kimaryo	Tanzanian	10	Furniture & Fittings	0.0225
Grace R. Kimaryo	Tanzanian	20	Pre-expenses	0.045
Roman S. Kimaryo	Tanzanian	50	Others	0.085
			Working Capital	0
			Total	1.6455

Employment	44	Evaluated By	,wf officer2
Capacity	66,000 litres of packed water a day	Drawn By	wf regist3
Project Turn Over		Project Type	Local

Description

To establish a beverage project for production of drinking water in Moshi

Recommendations

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

Decision

Approved

 AG FXD
 24-08-11

①

MALALU INVESTMENTS CO. LTD
P. O. Box 8002 Moshi

Date: 26th July 2011

The Zonal Manager,
TIC – Kilimanjaro Zonal Office,
P. O. Box 7735,
Moshi.



Dear Sir;

**RE: APPLICATION FOR CERTIFICATE OF INCENTIVES FOR MALALU
WATER EXTRACTION AND PACKAGING PROJECT**

I would like to apply for the above mentioned certificate on behalf of Malalu Investments Company Limited – a private company incorporated in Tanzania. Details of company's investment for which the certificate is being sought are shown in the enclosed Project Plan.

Enclosed with this letter please find the following:-

1. Copies of the company's MEMART
2. Copies of the company's Certificate of Incorporation
3. Board of Directors' Resolution
4. Bankers Status of Account
5. Documents showing evidence of ownership of the land upon which the investment is being done, and lease agreement thereof.

I sincerely hope that you will consider my request and respond positively.

Yours truly,


Roman S. Kimaryo
MANAGING DIRECTOR

MALALU INVESTMENTS CO. LTD
P. O. Box 8002 Moshi

EXTRACT OF MINUTES

**Extra Ordinary Meeting of The Directors Held on 20th May 2011 At
Moshi.**

Attendance: 1. Roman S. Kimaryo – Managing Director (and Chairman)
2. Grace R. Kimaryo – Director
3. Rogers R. Kimaryo – Director
4. Raymond R. Kimaryo – Director (and Secretary of the Meeting)

Min. 2.0 Resolution:

It has been resolved that, Malalu Investments Co. Ltd must register the Water Manufacturing Factory Project with the TIC and apply for a Certificate of Incentives. The project to be established in the municipality of Moshi, is the first major investment by the company. It needs to be granted the incentives prescribed by Tanzania Investment Act of 1997. The Chairman was commissioned to pursue the application process as soon as possible.

Confirmed on: 29th July 2011

.....
Managing Director

.....
Director

TANZANIA



Certificate of Incorporation

No **80689**

I HEREBY CERTIFY THAT

MALALU INVESTMENTS COMPANY LIMITED ==

Limited

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es salaam

this **29TH** day of **DECEMBER**

TWO THOUSAND AND TEN

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

Asst. Registrar of Companies

5th August 2011

Executive
The Finance Director,
Tanzania Investment Centre (TIC),
Moshi.

Dear Sir,

RE: STATUS REPORTS ON ACCOUNT 0100170038700 and 8700170038700 I.N.O
ROMAN S KIMARYO.

We write to confirm that, Roman S. Kimaryo is our customer maintaining the above mentioned current accounts in our books.

We wish to confirm that our client is financially sound in respect of normal transaction and the accounts conducts are good to our satisfaction.

This report is communicated to you without any guarantee on our part but for your private use only and upon express condition that, neither this bank nor any of its officers shall be in any way responsible for giving it.

Yours truly,


Branch Manager

3

TICC/PP.10/042086/3

25th August, 2011

Managing Director,
Malalu Investments Co. Ltd.,
P.O. Box 8002,
MOSHI

● **RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF A BEVARAGE PROJECT FOR PRODUCTION OF DRINKING WATER**

We wish to acknowledge receipt of your project proposal to establish a bevarage project for production of drinking water as presented in the TIC P.A. 1 Form No. 03777 and Feasibility Study with a projected investment of USD 1.6455m.

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

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

TICC/PP.10/042086/3

25th August, 2011

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

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

Yours sincerely,
TANZANIA INVESTMENT CENTRE



B.D. Chonjo
FOR: EXECUTIVE DIRECTOR

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

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

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



00218166

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042086

No:

This is to certify that

MALALU INVESTMENTS COMPANY LIMITED

P.O. BOX 8002

of address

MOSHI

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

MALALU INVESTMENTS COMPANY LIMITED

Which is located at

PLOT NO. 51 BLOCK JJJ, KARANGA INDUSTRIAL AREA

MOSHI URBAN - KILIMANJARO

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

Ag. Executive Director

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



Dated 8TH NOVEMBER 2011

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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Raymond R. Kimaryo	Tanzanian	10
Albert R. Kimaryo	Tanzanian	10
Rogers R. Kimaryo	Tanzanian	10
Grace R. Kimaryo	Tanzanian	20
Roman S. Kimaryo	Tanzanian	50

2. Proposed Activities : To establish a beverage project for production of drinking water in Moshi

3. Sector: Manufacturing Subsector: Beverages Bottling

4. Investment cost: Foreign: - Local: USD 1.6455m Total: USD 1.6455m.

5. Project Financing:

Equity: USD 0.598m	Loans: USD 1.046m	Total: USD 1.644m.
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6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	-	USD 1.6455m.	USD 1.6455m.

8. Technology Agreement: None

9. Date of TIC Registration: 25th August 2011

10. Implementation period: August 2011 - July 2014

11. Operative date: August 2014

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty: And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax: As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances: As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23

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

GP.DSM

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

37895082

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from

MASALU INVESTMENT LTD



KIASI
Amount

Shs:						Cts:	
			1	2	3	7	500

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words)

ONE MILLION TWO HUNDRED THIRTY SEVEN THOUSAND

NA SENTI

And Cents

FIVE HUNDRED ONLY

KWA MALIPO YA

In respect of

CERTIFICATE OF INCENTIVES

KWA FEDHA YA TASLIMU/HUNDI

NAMBA

By Cash/Cheque No. 00630 (DAEP/11/2011) 09/2011

KITUO - Station

DSM

SAHIHI YA MPOKEAJI - Receiving Officer's

Signature

CHEO - Title

ACC

TAREHE - Date

09/11/2011

NPC-KIUTA



PROPOSED REMODELING OF EXISTING GODOWN BUILDING

FOR

MALALU INVESTMENT COMPANY LIMITED

ON PLOT NO. 51 BLOCK 'JJJ' AT

KARANGA INDUSTRIAL AREA

IN MOSHI MUNICIPALITY

SCHEDULE OF MATERIALS

Quantity Surveyors
MK Arch Plan Associates Ltd,
P. O. Box 7805,
Moshi

June, 2011



NOTE :

1. This **Schedule of Materials** has been extracted from a prepared Bills of Quantities. An allowance has been added to cater for overlaps, wastages, shrinkages and the like while preparing these quantities.
2. This Schedule of Materials booklet comprises 11 Pages of assorted items of materials.

Signed :



KOMRA RICHARD PROTAS
REGISTERED QUANTITY SURVEYOR
REG. N5 QL 77.149.7/01
P.O. BOX 7805 MUSH

**PROPOSED WATER PLANT PROJECT
FOR M/S MALALU INVESTMENT COMPANY LTD**

ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
A	<u>BULKY CONSTRUCTION MATERIALS</u>				
1	Cement	2,620	BAGS	LOCAL	
2	Sand	644	TONS	LOCAL	
3	Aggregate	350	TONS	LOCAL	
4	Block walling (9" block)	5,540	NO	LOCAL	
5	Hardcore	15	TONS	LOCAL	
6	<u>Formwork to in-situ concrete</u>				
	(a) 6" x 1" sawn cypress formwork	12,513	FT	LOCAL	
	(b) 4" x 2" ditto	6,254	FT	LOCAL	
7	<u>Reinforcement bars; high yield steel</u> (12mm long pieces)				
	(a) 8mm diameter high tensile bars	96	NO	LOCAL	
	(b) 10mm diameter high tensile bars	212	NO	LOCAL	
	(c) 12mm diameter high tensile bars	130	NO	LOCAL	
8	BRC Wire mesh;	95	SM	LOCAL	
9	Binding wire (50 Kg roll)	3	NO	LOCAL	
10	<u>Paintwork</u>				
	(a) Polyurethane lacquor varnish	100	LTR	LOCAL	
	(b) Vinly silk emulsion paint	1,120	LTR	LOCAL	
	(c) Gloss oil paint	375	LTR	LOCAL	
	(d) Weatherguard emulsiion paint	1,435	LTR	LOCAL	
	(e) Bituminous paint	60	LTR	LOCAL	
11	Stucco filler	45	KG		IMPORT
12	<u>Tiles</u>				
	(a) 300 x 300 x 10mm thick Anti-acid floor tiles	13,830	NO		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
	Tiles				
	(b) 400 x 200 x 6mm thick ceramic wall tiles	7,498	NO		IMPORT
	(c) Porcelain skirting tiles 600mm long ; 150mm wide	550	NO		IMPORT
	Windows:				
	(As per M/S Sanitary Appliances & Hardware Ltd - Extrusion Product Catalogue)				
	All windows shall be gold tinted anodised aluminium with powder coated frames and shall be glazed in 6mm thick accoustical laminated glass:				
	(All opening sizes and materials to be reconfirmed on the ground before placement of orders):-				
	Aluminium sections as described:-				
13	Window size 3850 x 2500mm high	10	NO		IMPORT
	(a) Heavy Duty Aluminium Sections; 6 metres long	352	NO		IMPORT
	6 mm thick reflective glass fixed to steel casement frame:-				
14	In panes 0.10 - 0.50 square metres	97	SM	LOCAL	
15	Metal Works				
	(a) 45 x 45 x 6mm angle line; 6m long	40	NO	LOCAL	
	(b) 40 x 6mm thick flat bar; 6m long	146	NO	LOCAL	
	(c) 60mm diameter black pipe; 6m long	82	NO	LOCAL	
	(d) 40mm diameter black pipe; 6m long	40	NO	LOCAL	
	(c) 32.5mm diameter black pipe; 6m long	35	NO	LOCAL	



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
B	<u>ELECTRICAL EQUIPMENT CONFIGURATION</u> <u>SCHEDULE</u>				
1.0	<u>WATER TREATMENT SYSTEM</u>				
1.1	10T water treatment; 10kW	1	SET		IMPORT
1.2	Air circuit breaker	1	SET		IMPORT
1.3	Spare; A.C. contactor, air circuit breaker, button	1	SET		IMPORT
1.4	Main switch ; Air circuit breaker	1	SET		IMPORT
1.5	Electric control box; 60 x 30 x 100	1	PIECE		IMPORT
	Control box to equipment wiring				
1.6	4 x 2.5mm ² 4 cords sheath	50	METERS		IMPORT
1.7	4 x 4mm ² 4 cords sheath	50	METERS		IMPORT
1.8	Into control box wire; 3 x 10 + 2mm ² cable	40	METERS		IMPORT
2.0	<u>BLOWING AND INJECTION SYSTEM</u>				
2.1	Injection molding machine; 35kW	1	SET		IMPORT
2.2	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
2.3	Automatic blow molding machine; 190kW	1	SET		IMPORT
2.4	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
2.5	Main switch ; Air circuit breaker	1	SET		IMPORT
2.6	Electric control box; 65 x 300 x 130	1	PIECE		IMPORT
	Control box to equipment wiring				
2.7	4 x 10mm ² 4 cords sheath	20	METERS		IMPORT
2.8	Into control box wire; 3 x 95 + 2mm ² cable	50	METERS		IMPORT
3.0	<u>AIR COMPRESSOR SYSTEM</u>				
3.1	Air compressor; 22kW	2	SET		IMPORT
3.2	A.C. contactor, air circuit breaker, button	2	SET		IMPORT
3.3	Air compressor; 7.5kW	1	SET		IMPORT
3.4	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
3.5	Air chiller; 10kW	2	SET		IMPORT
3.6	A.C. contactor, air circuit breaker, button	2	SET		IMPORT
3.7	Refrigeration Drier; 3kW	2	SET		IMPORT
3.8	A.C. contactor, air circuit breaker, button	2	SET		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
AIR COMPRESSOR SYSTEM (Cont.)					
3.9	Main switch ; Air circuit breaker	1	SET		IMPORT
3.10	Electric control box; 65 x 300 x 130	1	PIECE		IMPORT
3.11	Control box to equipment wiring 4 x 10mm ² 4 cords sheath	60	METERS		IMPORT
3.12	Into control box wire; 3 x 25 + 2mm ² cable	20	METERS		IMPORT
4.0 FILLING SYSTEM FOR SMALL BOTTLES					
4.1	Filling machine; 6.5kW	1	SET		IMPORT
4.2	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
4.3	Lamp check; 0.1kW	1	SET		IMPORT
4.4	A.C. contactor, button	1	SET		IMPORT
4.5	Shrink labeling machine; 18kW	1	SET		IMPORT
4.6	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
4.7	Shrink packing; 1.5kW	1	SET		IMPORT
4.8	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
4.9	Wrapping machine; 11.5kW	1	SET		IMPORT
4.10	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
4.11	Conveyor; 3.5kW	1	SET		IMPORT
4.12	A.C. contactor, button	1	SET		IMPORT
4.13	Main switch ; Air circuit breaker	1	SET		IMPORT
4.14	Total control circuit	7	SET		IMPORT
4.15	Electric control box; 600 x 300 x 120	1	PIECE		IMPORT
4.16	Control box to equipment wiring 4 x 4mm ² 4 cords sheath	40	METERS		IMPORT
4.17	4 x 6mm ² 4 cords sheath	30	METERS		IMPORT
4.18	Into control box wire; 3 x 25 + 2mm ² cable	80	METERS		IMPORT
5.0 FILLING SYSTEM FOR BIG BOTTLES					
5.1	Filling machine; 6.5kW	1	SET		IMPORT
5.2	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
5.3	Lamp check; 0.1kW	1	SET		IMPORT
5.4	A.C. contactor, button	1	SET		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
FILLING SYSTEM FOR BIG BOTTLES (Cont.)					
5.5	Rinser; 6.5kW	1	SET		IMPORT
5.6	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
5.7	Capping; 6.5kW	1	SET		IMPORT
5.8	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
5.9	Conveyor; 3.5kW	1	SET		IMPORT
5.10	A.C. contactor, button	1	SET		IMPORT
5.11	Main switch ; Air circuit breaker	1	SET		IMPORT
5.12	Total control circuit	7	SET		IMPORT
5.13	Electric control box; 600 x 300 x 120	1	PIECE		IMPORT
5.14	Control box to equipment wiring 4 x 2.5mm ² 4 cords sheath	40	METERS		IMPORT
5.15	Into control box wire; 3 x 6 + 2mm ² cable	70	METERS		IMPORT
6.0 FILLING SYSTEM FOR 5 GALLON					
6.1	Monoblock 3-in-1; 7.5kW	1	SET		IMPORT
6.2	A.C. contactor, air circuit breaker, button	1	SET		IMPORT
6.3	Conveyor for shrinking labeling; 7.5kW	1	SET		IMPORT
6.4	A.C. contactor, button	1	SET		IMPORT
6.5	Lamp check	1	SET		IMPORT
6.6	A.C. contactor, button	1	SET		IMPORT
6.7	Main switch ; Air circuit breaker	1	SET		IMPORT
6.8	Total control circuit	2	SET		IMPORT
6.9	Electric control box; 600 x 350 x 120	1	PIECE		IMPORT
6.10	Control box to equipment wiring 3 x 6 + 2mm ² cable 4 cords sheath	20	METERS		IMPORT
6.11	Into control box wire; 3 x 10 + 2mm ² cable	60	METERS		IMPORT
7.0 GO WIRE FRAME					
7.1	Wire casing; 100 x 200	150	METERS		IMPORT
7.2	Tee-joint; 100 x 200	3	SET		IMPORT
7.3	Elbow (squareness)	6	PIECE		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
8.0	TOTAL DISTRIBUTION CABINET SYSTEM				
8.1	Main Distribution Cabinet				
	(a) Isolating switch; 1600kW	1	SET		IMPORT
	(b) Isolating switch; 600kW	2	SET		IMPORT
	(c) Air circuit breaker; 200kW	5	SET		IMPORT
	(d) Ammeter	5	PIECE		IMPORT
	(e) Voltmeter; 20.4kW	5	PIECE		IMPORT
	(f) Current tranformer	8	PIECE		IMPORT
	(g) 800 x 500 x 1800	3	PIECE		IMPORT
8.2	Total distribution ark total line copper platoon;				
	(a) 80 x 7copper pick	5	METERS		IMPORT
	(b) 40 x 4copper pick	4	METERS		IMPORT
8.3	Accessory cabinet		ITEM		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
C	MACHINERY, EQUIPMENTS AND MOTOR VEHICLE SCHEDULE				
1	WATER TREATMENT PLANT				
1.1	Raw Water Pump; CHL 16-30	1	NO		IMPORT
1.2	Sand Filter; D1200 x H2200	1	NO		IMPORT
1.3	Mate Manual Operation valve set & Stainless steel shelves	1	SET		IMPORT
1.4	Flow meter 16m ² /h	1	NO		IMPORT
1.5	Pressure Gauge 0.6 Mpa	4	NO		IMPORT
1.6	Quartz sand	2.8	TONS		IMPORT
1.7	Cartridge Filter D 300 x H1200	1	NO		IMPORT
1.8	Filter Core 1 µm	9	NO		IMPORT
1.9	High Pressure Pump CR 15-12	1	NO		IMPORT
1.10	RO device Q=10m ³ /h (20 ^o C) Y= 75%	1	NO		IMPORT
1.11	Membrane ESPA 1	9	NO		IMPORT
1.12	Membrane carapace 8" x 300mm	3	NO		IMPORT
1.13	Product Water Flow meter 16m ³ /h	1	NO		IMPORT
1.14	Concetrated Water Flow meter 10m ³ /h	1	NO		IMPORT
1.15	Pressure Gauge 3.0 Mpa	2	NO		IMPORT
1.16	Conductivity CM-230	2	NO		IMPORT
1.17	Pressure Switch	1	NO		IMPORT
1.18	Mate Manual Operation Valve	1	SET		IMPORT
1.19	Electric instrument Cupboard	1	NO		IMPORT
1.20	Product Tank V=8m ³	1	NO		IMPORT
1.21	Liquior Position Controlling System	1	NO		IMPORT
1.22	Ozone Sterilization System	1	NO		IMPORT
1.23	Ozone Generator Q=30g/h	1	NO		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
<u>WATER TREATMENT PLANT (Cont.)</u>					
1.24	Consumer Offer Oxygen Cylinder	1	NO		IMPORT
1.25	O ₃ -H ₂ O Mix pump 40 QY-6; Q=7m ³ /h	1	NO		IMPORT
1.26	Pressure Gauge -0.1~ 0.5MPa	1	NO		IMPORT
1.27	Product Pump CHL 16-30; Q=16m ³ /h	1	NO		IMPORT
1.28	Chemical Cleaning System	1	SET		IMPORT
1.29	Cleanout Water Pump CHL 8-40; Q=8m ³ /h	1	NO		IMPORT
1.30	Pipilines and Valves	1	SET		IMPORT
1.31	Submersible Water pumo	1	SET		IMPORT
<u>2 PET BOTTLE BLOWING PRODUCTION LINE:</u>					
<u>2.A HDPE Cap Production Line</u>					
2.1	Injection Machine	1	NO		IMPORT
2.2	Auto Loader	1	NO		IMPORT
2.3	Chiller	1	NO		IMPORT
2.4	Cooling Tower	1	NO		IMPORT
2.5	Φ28 Flip Cap Mould	1	NO		IMPORT
2.6	Φ40 Cap Mould	1	NO		IMPORT
2.7	Φ32 Insert Cap Mould	1	NO		IMPORT
2.8	Granular	1	NO		IMPORT
<u>2.B 3500 BPH PET Bottle Production Line (0.5,1.0 & 1.5 litres)</u>					
2.1	JSD-IV Fully Automatic Blow Moulding Machine	1	NO		IMPORT
2.2	Low Pressure Air Compressor	1	NO		IMPORT
2.3	High Pressure Air Compressor	1	NO		IMPORT
2.4	Low Pressure Air Tank	1	NO		IMPORT
2.5	High Pressure Air Tank	1	NO		IMPORT
2.6	High Pressure Air Dryer	1	NO		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
	<u>3500 BPH PET Bottle Production Line (0.5,1.0 & 1.5 litres) - Cont.</u>				
2.7	High Pressure Air Filter	2	NO		IMPORT
2.8	Blow Mould/0.5L	1	NO		IMPORT
2.9	Blow Mould 1.0/L	1	NO		IMPORT
2.10	Blow Mould 1.5/L	1	NO		IMPORT
2.11	Air Chiller	1	NO		IMPORT
	<u>2.C Filling and Packing System</u>				
2.1	Rinsing/Filling/Capping Machine	1	NO		IMPORT
2.2	Air-blow Bottle Conveyor	1	SET		IMPORT
2.3	Changing Parts for 1.0L and 1.5L	2	SET		IMPORT
2.4	Date printer	1	NO		IMPORT
2.5	Labelling Shrinking Oven	1	NO		IMPORT
2.6	Buffer Lane	1	SET		IMPORT
2.7	Film Shrinking Packer	2	NO		IMPORT
2.8	Conveyor System	1	SET		IMPORT
	<u>2.D 100 -150 BPH Water Filling System (3-5 gallon)</u>				
2.1	Inner washer	1	SET		IMPORT
2.2	Filler	1	SET		IMPORT
2.3	Capper	1	SET		IMPORT
2.4	Cap Unscrambler with a cap container	1	SET		IMPORT
2.5	Roller Conveyor	6	METERS		IMPORT
2.6	Stainless Steel Conveyor	15	METERS		IMPORT
2.7	Reducing Motor	3	SET		IMPORT
2.8	Cap Film Shrinking	1	SET		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
2.E	<u>150 BPH Water Filling System (5-10 litres)</u>				
2.1	Automatic Bottle Feeder	1	SET		IMPORT
2.2	Inner washer	1	SET		IMPORT
2.3	Filler	1	SET		IMPORT
2.4	Capper	1	SET		IMPORT
2.5	Cap Unscrambler with a cap container	1	SET		IMPORT
2.6	Roller Conveyor	3	METERS		IMPORT
2.7	Stainless Steel Conveyor	10	METERS		IMPORT
2.8	Reducing Motor	2	SET		IMPORT
3.0	<u>45 BPH 5 GALLON BOTTLE PRODUCTION LINE</u>				
3.1	JKA-20 Semi-Automatic Moulding Machine	1	NO		IMPORT
3.2	High Pressure Air Compressor	1	NO		IMPORT
3.3	Low Pressure Air Compressor	1	NO		IMPORT
3.4	High Pressure Air Dryer	1	NO		IMPORT
3.5	Air Tank	1	NO		IMPORT
3.6	Blow Mould/10L round	1	NO		IMPORT
3.7	Blow Mould/5L round	1	NO		IMPORT
8.0	Plastic Recycling Granules (Raw Material for all Blow Mould machines)	50	TONS		IMPORT
4.0	<u>PET PELLETIZING EXTRUSION PRODUCTION LINE</u>				
4.1	Spiral Conveyor	1	SET		IMPORT
4.2	Motor power 2.2kw	1	NO		IMPORT
4.3	Dose Feeding Unit 1.1kw	1	SET		IMPORT
4.4	Ø120 Extruder (for pet flakes)	1	SET		IMPORT
4.5	Hopper (Stainless steel with tilt sight glass & slide board)	1	SET		IMPORT
4.6	Screws ø 120mm (Special style)	1	BOX		IMPORT
4.7	Screws L/D: 30:1 (special style)	1	BOX		IMPORT



ITEM	DESCRIPTION	QUANTITY	UNIT	LOCAL	IMPORT
	PET PELLETIZING EXTRUSION PRODUCTION LINE (Cont.)				
4.9	Control Power 90kw	1	NO		IMPORT
4.10	Thermostat zones	8	ZONES		IMPORT
4.11	Radiators zones	6	ZONES		IMPORT
4.12	Vacuum degassing unit – 5.5kw	1	SET		IMPORT
4.13	Electrical Control box	1	SET		IMPORT
4.14	Hydraulic Screen Changer	1	SET		IMPORT
4.15	Extruding Mould	1	SET		IMPORT
4.16	Stainless Steel Cooling Water trough – 2.5m (with stand)	1	SET		IMPORT
4.17	Wind Cooling Chamber 3m (blower power 3.7kw)	1	SET		IMPORT
4.18	Cutting Unit (with 25 pieces of alloy steel blades)	1	SET		IMPORT
4.19	Control power 5.5kw	1	NO		IMPORT
4.20	50 HP Crusher 37kw	1	SET		IMPORT
4.21	Extra Cutting Blade	1	SET		IMPORT
	5.0 FACTORY'S COMMON FACILITIES				
	5.A Machinery				
5.1	Digital Printing Machine for labels	1	SET		IMPORT
5.2	Standby Generator 1 KVA	1	NO		IMPORT
5.3	Forklift – 2tons	2	NO		IMPORT
	5.B Motor Vehicles				
5.1	Fuso Trucks – 4tons	2	NO		IMPORT
5.2	Scania – Semi-Trailer Trucks – 33tons	2	NO		IMPORT
5.3	Canter Pick-ups – 2tons	3	NO		IMPORT
5.4	Saloon Car – for administration X	1	NO		IMPORT
5.5	Mini-Bus Toyota Coaster – for factory staff	1	NO		IMPORT
	6.0 RECYCLING PLANT				
6.1	Plastic Recycling Granulator by Lathed Wind-cooling (GY-ZS-PP/PE)	1	NO		IMPORT



TICC/PP.10/042086/6

15/12/2011

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042003**


M/S Malalu Investments Co. Limited is a TIC registered company with certificate of incentives **No. 042003** which is valid up to **July 2014**

The company has been registered with objectives of establishing a beverage project for production of drinking water in Moshi.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR

MALALU INVESTMENTS CO. LTD
P. O. Box 8002 Moshi

Date: 5th December 2011

Commissioner of Customs & Excise Duty,
P. O. Box 9053,
Dar-es-Salaam.

U.f.s. The Executive Director,
Tanzania Investment Centre,
P. O. Box 938,
Dar-es-Salaam.



Dear Sir;

**RE: APPLICATION FOR TAX RELIEF IN RESPECT OF DRINKING WATER BOTTLING
FACTORY PROJECT**

On behalf of Malalu Investments Co. Ltd, I would like to submit to you the above mentioned application for the investment being undertaken in the municipality of Moshi in Kilimanjaro region.

The project has already been registered with TIC and has been given Certificate of Incentive No. 042086 of 8th November 2011. The application is for tax relief as defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997 namely:-

- Applicable Import Duty as per Customs Tariff Act, 1976.
- Applicable VAT as per VAT Act, 1997 (as amended).
- Applicable with-holding tax as per Income Tax Act, 2004 (as amended).
- Eligibility of Capital Allowances as per Income Tax Act, 2004 (as amended).

Enclosed with this letter please find the following documents:-

- (i) Copies of Certificate of Incentives No. 042086.
- (ii) Copies of TIN Certificate 115-577-034 for the company, and
- (iii) Copies of Schedule of Materials and equipment needed in the capital investment.

I sincerely hope that you will consider this application positively so that the project can take-off successfully.

Yours truly,


Roman S. Kimaryo
MANAGING DIRECTOR.

Certified True Copy
of The Original

Signature

Date

For: Executive Director
Tanzania Investment Centre



00218166

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042086

No:

This is to certify that

MALALU INVESTMENTS COMPANY LIMITED

P.O. BOX 8002

of address

MOSHI

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

MALALU INVESTMENTS COMPANY LIMITED

Which is located at

PLOT NO. 51 BLOCK JJJ, KARANGA INDUSTRIAL AREA

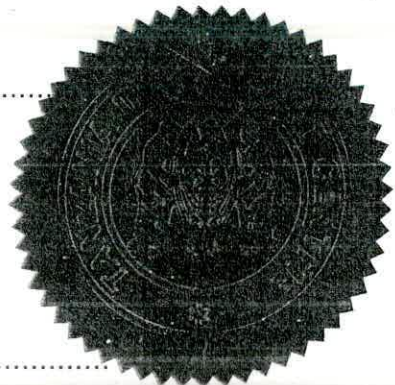
MOSHI URBAN - KILIMANJARO

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

Ag. Executive Director

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

Dated 8TH NOVEMBER 2011



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

1. Shareholders

	Nationality	Shareholding (%)
Raymond R. Kimaryo	Tanzanian	10
Albert R. Kimaryo	Tanzanian	10
Rogers R. Kimaryo	Tanzanian	10
Grace R. Kimaryo	Tanzanian	20
Roman S. Kimaryo	Tanzanian	50

2. Proposed Activities : To establish a beverage project for production of drinking water in Moshi

3. Sector: Manufacturing Subsector: Beverages Bottling

4. Investment cost: Foreign — Local USD 1.6455m Total USD 1.6455m.

5. Project Financing:

Equity	Loans	Total
<u>USD 0.598m.</u>	<u>USD 1.046m.</u>	<u>USD 1.644m.</u>

6. Source, terms and conditions of loan.....

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	—	USD 1.6455m.	USD 1.6455m.

8. Technology Agreement None

9. Date of TIC Registration: 25th August 2011

10. Implementation period August 2011 - July 2014

11. Operative date..... August 2014

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
 13. Executive Director



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....
MALALU INVESTMENTS COMPANY LTD
.....

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

.....
115-577-034
.....

with effect from 02-Dec-11

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

REQUIREMENTS OF THIS CERTIFICATE

1. The taxable person must show his TIN registration number in any return, statement, notice of appeal or other document used for the purpose of the Income Tax Act.
2. This Certificate should be displayed in a conspicuous position at the principal place of business.

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

MALALU INVESTMENTS COMPANY LIMITED.

Incorporated thisday of.....2010

**Drawn by: -
MR. ROMAN SALEMA KIMARYO
(Subscriber)
P.O. BOX 8002,
MOSHI,
TANZANIA.**

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

MALALU INVESTMENTS COMPANY LIMITED.

Incorporated thisday of.....2010

Drawn by: -
MR. ROMAN SALEMA KIMARYO
(Subscriber)
P.O. BOX 8002,
MOSHI,
TANZANIA.

TANZANIA

5000/-

REPUBLIC OF TANZANIA
REGISTRY OF COMPANIES
TANGANYIKA

11873 71260



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION

2500/-
11873 71260



OF

MALALU INVESTMENTS COMPANY LIMITED

1. The name of the Company is **MALALU INVESTMENTS COMPANY LIMITED**.
2. The Registered office of the company will be situated in the **Republic of Tanzania**.
3. The objects of which the Company is established are: -
 - (a) To carry on the business as general food processors, packers and suppliers, to be general suppliers of hard food stuffs and agricultural crops, to be grain millers and food mixers, and to be general importers, exporters, and distributors of fresh fruits, mineral water, juices, drinks, vegetables, and flowers.
 - (b) To import, export, sell, market, store, transport, pack, process preserve and generally deal in all manners possible with agricultural and food products, agricultural commodities and agricultural inputs, chemicals, machinery, equipment, requisites and necessaries of all kinds and descriptions and to act as promoters, agents, and salesmen of the producers and manufacturers of the same.
 - (c) To acquire, take over, promote, establish, and carry on all or any of the business of seed crushers and manufactures of linseed, cotton and other cakes, oil extractors by crushing, chemical and other processes makers and manufactures of cattle food, feeding and fattening preparations of every kind and description, makers and manufacturers of manures and fertilizers of every description, hay, straw and fodder merchants and dealers in molasses, jaggrey, trice, bagasse and other sugar by-products.
 - (d) To sell, breed, import, export, improve, prepare, deal, and trade in cattle, pigs, poultry, game and live and dead stock of every description
 - (e) To acquire by purchase or otherwise land, buildings, machinery, sisal plant, coffee plant and cotton factories and to carry on the business of growing and dealing in sisal, coffee, wheat, and deal in any, other substances of a fibrous nature.
 - (f) To cultivate any estates, farms, lands and properties and to develop the resources of the same by draining, clearing, planting, pasturing, waterdrilling, contouring, irrigation, landscaping, green – housing, and land reclamation and to engage in the

business of agro-industry, including the production of flowers, plants, coffee, tea, as well as all, every or any similar commodity, agriculture, floriculture, horticulture, hydroponics, silviculture, wine-growing, as well as any business connected with or incidental to production from land.

- (g) To operate a florist arcade to act as a decorator, landscapes and gardening.
- (h) To carry on the business of importers, exporters, manufactures and dealers in all kinds of mercantile goods.
- (i) To carry on the business of importers, dealers and distributors of kerosene, petrol, motor spirit, mineral oil, crude oil, petroleum lubricating oil, grease and all other kinds of mineral and petroleum products.
- (j) To do business as importers, exporters, wholesalers, retailers, distributors for all types of petroleum products, lubricants, and allied products through depots, service stations, wholesale and retail outlets.
- (k) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliance, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said business or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.
- (l) To carry on the business as general traders, suppliers, merchants, importers, exporters, stockiest, wholesalers, retailers and dealers in all types of spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agriculture machinery, implements, equipments, equipment, all kinds of industrial projects machinery and equipment, electrical goods, hardware, building materials, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongers, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (m) To carry on the business of air charter operators, sea operators, ground transporters, carriers of mail by air, water and land and act as general couriers.
- (n) To carry on the business of aviation, buy, sell, take and let in the hire repair, maintain, store and otherwise deal with aeroplanes, helicopters, gliders, motor cars and ships, boats, trailers and other vehicles and crafts of all kinds (whether for use in the air or on land or water and howsoever powered or propelled) radio equipments, electronic equipments, and other equipments and machinery of all kinds as well as parts, propellers, accessories, tyres, tubes, fuels and lubricants for any of the foregoing.

- (o) To own, hire and operate transport facilities including Trucks, Lorries, Saloon Cars, Combies, Carries, Taxis, Aero planes and Ships including Steamers, Barge Boats and Tug-Boats for the express or implied purpose carrying or Ferrying Cargo, Passengers, Tourists and to act as Transport and general haulage contractors and consultants, Tour Operators, Travel Agents, Clearing and Forwarding Agents and its own, lease or hire godowns, warehouses, bonded warehouses, goods sheds and seal like facilities for the purpose of storing, preserving, packaging and repacking goods, cargo and all other articles and goods whatsoever to facilitate transportation, air freight and general delivery thereof whatsoever to customers and owners.
- (p) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes of as independent undertakings to purchase, take in exchange, charter, hire, build, contact or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (q) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and go down keepers, cargo and travel agents, insurance agents, tourist agents, manufacturer's representatives, road contactors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, trucks, cabs, omnibus, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other mean of conveyance of people and goods in Tanzania and the neighboring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (r) To appropriate any part or parts of the property of the company for the purpose of and to build or let shops, offices and other places of business and to use or to lease any part of the property of the company not required for the purposes aforesaid, for any purpose for which it maybe conveniently used or let.
- (s) To develop and turn to account any land acquired by or in which the Company has interest and particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, furnishing, fitting up and improving buildings and planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and other.
- (t) To engage in real estate development projects and to build, own and operate hotels, lodges, restaurants, as well as serviced apartments, mansions, and offices for lease or otherwise, and to enter into joint ventures for these purposes.

- (u) To sell, improve, manage, develop, exchange, lease, mortgage, dispose of, turn to account, or otherwise deal with all or any part of the property and rights of the company.
- (v) To purchase, take on lease or in exchange, hire, or otherwise acquire and hold for any estate or interest any lands, buildings, rights, privileges, concessions, patents, paten tights, censes, ret processes, machinery, plant, stock-in-trade, and real or personal property of any kind necessary or convenient for the purpose of or in connection with the Company's business or any branch or department thereof, and develop the said property.
- (w) To improve, manage, develop, turn to account, grant, rights or privileges in respect of or otherwise deal with any of the property, rights and privileges of the property.
- (x) To establish, promote and otherwise assist any company or companies for the purpose of acquiring all or any part of the property of furthering any of the objects of this company.
- (y) To purchase or otherwise acquire, sell, dispose of real and personal property of all kinds.
- (z) To carry on all or any of the business of manufactures of and dealers in and workers in cement, lime, plasters, whittings, clay gravel, sand, stone, minerals, earth fuel, artificial stone, bricks, tiles, pipes, pottery earthenware, China and builders requisites and convenience of all kinds and as quarry owners, builders, general contractors and carriers.
- (aa) To enter into any arrangements with any Government or authorities supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
- (bb) 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.
- (cc) To amalgamate or enter into partnership or any agreement whether perpetual or terminable, for sharing profits, union of interest joint adventure, reciprocal concessions or co-operation with any persons, firm, society, association or group of persons, carrying on or engaged in or about to carry (in the case of a company) formed to carry on or engage in any business or transaction within the objects of this Company or any business transaction or course of action which may seem to the Company capable of being conducted so as directly or indirectly to benefit the company or to prevent or minimize apprehended loss, damage or cost to the Company or to such person, firm, society, association or group of person, purchase, subscribe for or otherwise acquire and hold shares (fully or partly paid up) or stock in

or securities of, or to lend money, to guarantee the contracts of subsidiaries or otherwise assist any such person, firm, society, association or group of persons, and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities.

- (dd) To procure the company to be registered, incorporated or otherwise constituted if necessary or advisable according to the law of any foreign country.
- (ee) To sell, exchange, let, develop, dispose of, transfer or otherwise deal with the undertaking of the company or any part thereof upon such terms and for such consideration as the company may think fit.
- (ff) To improve, manage, develop, exchange, mortgage, let on rent or in consideration of a share of profits, either in money or kind or otherwise grant, licence, easements and other rights of and over and in any manner dispose of, turn to profit or deal with all or any part of the property and rights of the company.
- (gg) To issue or guarantee the issue of or the payment of interest on the shares, debentures, debenture stock or other securities or obligations of any company.
- (hh) To invest the moneys of the company not immediately required in such manner, other than in the shares of this company, as may from time to time be determined.
- (ii) To lend and advance money or give credits to such persons and on such terms as may be deemed expedient and in particular to customers and others having dealings with the company and to give guarantees or become surety for any such person.
- (jj) To raise or borrow money or to secure the payment of money and of any interest thereon in such manner and on such terms as may be deemed expedient, and in particular by the issue at par or at a premium or discount of debentures or debenture stock either perpetual or terminable, or by bonds, mortgages or any other form of security over or upon all or any of the undertaking, property or rights of the company both present and future including its uncalled capital, or without any such security.
- (kk) To receive money on deposit with or without allowance of interest thereon.
- (ll) To join with any other company or companies in the issue of a joint debenture or joint debentures, to secure the performance of any of the joint or several obligation of this company and all or any such other companies.
- (mm) To accept stock or shares in or the debentures, mortgage debentures or other securities of any other company in payment for any services rendered or for any sale made to or debt owing from any such company.
- (nn) To draw, accept and make and to endorse, discount and negotiate bills of exchange, promissory notes and other negotiable instruments.

- (oo) To establish agencies, and local boards in Tanzania and elsewhere, and to regulate and discontinue the same.
- (pp) To seek for and secure openings for the employment of capital in any part of the world, and with a view thereto to prospect, inquire, examine, explore and test and to employ and to despatch expeditions, commissioners, experts and other agents.
- (qq) To acquire from any sovereign state or authority supreme local or otherwise any concessions, grants, decrees, rights or privileges whatsoever which may seem to the company capable of being turned to account and to work, develop, carry out exercise and turn to account the same.
- (rr) To procure the company to be registered or recognised in any foreign country or place.
- (ss) To carry on the business of financiers in all their branches and departments, including the borrowing, raising or taking up of money, the lending or advancing of money, securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, scrip and other instruments and securities and issuing letters of credit and circular notes, the buying, selling and dealing in bullion and specie, the acquiring, holding, issuing on commission, underwriting and drawing with stocks, funds, shares, debentures, debenture stock, bonds, obligations, securities and investment of all kinds, the negotiating of loans and advances, the receiving of money and valuables on deposit or for safe custody of otherwise, the collecting and transmitting of money and securities, the managing of property and transacting of all kinds agency business.
- (tt) To distribute any of the property of the company among the Members in specie, and either by way of dividends or upon and return of capital.
- (uu) To capitalise if and when deemed advisable the whole or part of the undivided profits of the company and/or moneys standing to the credit of the company's reserve fund and to distribute such sum either as bonus or in any other manner and either by way of shares credited as fully paid up or in such other manner as may seem expedient and whether amongst holders of shares in the company or others.
- (vv) To provide for the welfare of persons in the employment of the company or formerly in the employment of the company, or its predecessors business, and the wives, widows, and families of such persons by grants of moneys, pensions or other payments and by providing or subscribing towards places of instruction and recreation, and hospitals, dispensaries, medical and other attendance and other assistance as the company shall think fit.
- (ww) To carry on, develop, extend and turn to account any trade business or operation whatsoever which can, in the opinion of the company be advantageously or conveniently carried on by the company by way of extension of or in connection with all or any of the trade, business and operations which the company is authorised to

carry on, or is calculated directly or indirectly to develop any branch of the company's business or to increase the value of or turn to account any of the company's assets, property and rights.

- (xx) To form, subscribe to and otherwise aid benevolent, religious, scientific, national, charitable or other institutions or objects of a public character or other which have any morale or other claims to support or aid by the company by reason of the nature or locality of its operations or otherwise.
- (yy) To do all or any of the matters hereby authorised in any part of the world either alone or in conjunction with or as, by or through factors, trustees or agents.
- (zz) To engage in and carry out the business of proprietor and managers of hotels, motels, restaurant, cafes, road houses, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.
- (aaa) To carry on the business of canteen, motels and operate duty free shops to be importers of spirits, beer wine, soft drinks, act as general traders, importers and exporters, traders in the wholesale and retail business of goods and merchandise of any description, size and magnitude, general agents for local and overseas principals establish trading outlets for all types of local and imported goods, engaged in the export of all types of merchandise and to generally carry out retail and wholesale business general traders and to be trading agents.
- (bbb) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and particular to arrange and manager hunting safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harboring, transporting, wildlife and marine products of all kind.
- (ccc) To carry on business as safari contractors, organizers and operators, and to equip, organize and arrange hunting, photographic, cinematic, exploration and cinematographic expeditions and generally to organize and provide facilities for tourist safari adventures of every kind including but not limited to game, fishing, river canoeing, kayaking, and other safaris and expeditions of every descriptions photographic, sight seeing and other expeditions whatsoever.
- (ddd) To carry on the business of general merchants, general store-keepers, universal providers, importers, exporters, wholesale and/or retail traders, dealers of piece wood, paints, hardware, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments,

apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.

- (eee) To acquire, erect, alter and furnish any property for the purpose of letting to visitors or guest whether in single rooms, suites, chalets, cottages or otherwise.
- (fff) To carry on the business of household, domestic appliance and electrical goods, audio visual goods, electronic items, building material, hardware's, foodstuff, agriculture products and merchandise of every nature, kind and description whatsoever as a dealer, wholesaler, retailer, distributor, importer, exporter and after sales service and repairing.
- (ggg) To carry on the business of importers, exporters, buying, selling, dealers in building materials, hardware, sanitary-ware, wall papers, roofing tiles. Flooring tiles, supplying industrial equipment's agricultural implements and equipment's spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electric plating, making steel windows, doors, frames and roof tresses.
- (hhh) To carry on the business of production of audiovisual material, information, advertising, documentary and art films, for television, cinema, education or commercial purpose, archives, NGO'S or other industries, or for any other purpose whatsoever.
- (iii) Generally to do all such other things as the Company deem incidental or conducive to the attainment of the above objects or any of them and to carry on any other business which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights

And it is hereby declared that: -






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

The object specified in each of the paragraphs of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph of the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraph define the objects of the separate and distinct compound.

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

4. The liability of the Members of the company is limited.
5. The authorised share capital of the company is **Tanzania Shillings Twenty- Five Million (T.Shs.25,000,000)** Divided into **Two Hundred Fifty (250)** Ordinary Shares of **Tanzania Shillings One hundred thousand (T.Shs.100,000) Each**, with power for the company to increase or reduce the said share capital and to issue any part of its capital, original or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions, and so that unless the conditions of issue shall otherwise expressly declare, every issue of shares whether declared to be preference or otherwise shall be subject to the power hereinbefore contained.

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

No.	NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH	SIGNATURE OF SUBSCRIBERS
1.	MR. ROMAN SALEMA KIMARYO P. O. Box 8002, MOSHI, TANZANIA. BUSINESSMAN	75	
2.	MRS. GRACE ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSWOMAN	30	
3.	MR. ROGERS ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	
4.	MR. ALBERT ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	
5.	MR. RAYMOND ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	

Dated at MOSHI this 26 Day of NOVEMBER, 2010

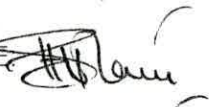
WITNESS TO THE ABOVE SIGNATURES: -

NAME: MR. HITESH H. SOLANI

POSTAL ADDRESS: P.O.BOX 519, MOSHI

QUALIFICATION: AUDITOR

SIGNATURE




TANZANIA

Stamp Duty Shs. 5000/-

PAID UP ORIGINAL

1187271260



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION

2500/-
1187271260
May

OF

MALALU INVESTMENTS COMPANY LIMITED

PRELIMINARY

1. In these regulations: -

“The Act” means the Companies Act 2002 of the Laws of Tanzania.

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

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

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

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

PRIVATE COMPANY

2. The Company is a Private Company and accordingly: -

- (a) The right to transfer shares is restricted in manner hereinafter prescribed.
- (b) The number of the members of the company (exclusive of persons who are in the employment of the company and persons who have been formerly in the employment of the company were while in such employment to be the member of the company) is limited fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be treated as a single member.
- (c) Any invitation to the public to subscribe for any share or debentures of the Company is prohibited

- (d) The company shall not have power to issue share warrants to bearer.

TRANSFER OF SHARES

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

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

5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

The Regulation of Companies Act shall apply to the following variations: -

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

6. **DIRECTORS**

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than seven in number.
- (b) The Following persons shall be the first Directors of the Company:
 - 1. **MR. ROMAN SALEMA KIMARYO**
 - 2. **MRS. GRACE ROMAN KIMARYO**
 - 3. **MR. ROGERS ROMAN KIMARYO**
 - 4. **MR. ALBERT ROMAN KIMARYO**
 - 5. **MR. RAYMOND ROMAN KIMARYO**
- 7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be Required.
- 8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, are **three**.
- 9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- 10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

BORROWING POWERS

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

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

VOTE OF MEMBERS

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

DISQUALIFICATION OF DIRECTORS

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

SEAL

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

ALTERNATE DIRECTORS

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

SECRETARY

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

WINDING UP

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

ALTERNATION OR ADDITION






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

INDEMNITY

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

ARBITRATION

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

No.	NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH	SIGNATURE OF SUBSCRIBERS
1.	MR. ROMAN SALEMA KIMARYO P. O. Box 8002, MOSHI, TANZANIA. BUSINESSMAN	75	
2.	MRS. GRACE ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSWOMAN	30	
3.	MR. ROGERS ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	
4.	MR. ALBERT ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	
5.	MR. RAYMOND ROMAN KIMARYO P. O. BOX 8002, MOSHI, TANZANIA. BUSINESSMAN	15	

Dated at MOSHI this 26 Day of NOVEMBER, 2010

WITNESS TO THE ABOVE SIGNATURES: -

NAME: MR. HITESH H. SOLANI

POSTAL ADDRESS: P.O.BOX 519, MOSHI

QUALIFICATION: AUDITOR

SIGNATURE 



MALALU INVESTMENTS CO. LTD
P. O. Box 8002 Moshi

**Drinking Water Abstraction, Treatment
And
Packing – Project Plan**

August 2011

*Project Plan By: Management,
Malalu Investments Co.Ltd,
P. O. Box 8002,
Moshi.*

CONSULTANTS: *DaB Consultants,
P. O. Box 7418,
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Phone: 255 27 2752245
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MALALU INVESTMENTS CO. LTD
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Acronyms and Abbreviations

A TEC	<i>Accounting Technician Certificate</i>
BPH	<i>Bottles Per Hour</i>
CEO	<i>Chief Executive Officer</i>
CTI	<i>Confederation of Tanzanian Industries</i>
GDP	<i>Gross Domestic Product</i>
GFC	<i>Global Financial Crisis</i>
IRR	<i>Internal Rate of Return</i>
ISO	<i>International Standards Organisation</i>
JICA	<i>Japanese International Cooperation Agency</i>
MICL	<i>Malalu Investments Company Limited</i>
NEMC	<i>National Environmental Management Council</i>
RC	<i>Regional Commissioner</i>
TCCIA	<i>Tanzania Chamber of Commerce Industry and Agriculture</i>
TIC	<i>Tanzania Investment Centre</i>
TPC	<i>Tanganyika Planting Company Ltd</i>
VAT	<i>Value Added Tax</i>

1.0 Introduction

This study has been carried out and business plan prepared for **Malalu Investments Company Ltd** of Moshi, Tanzania. The company wants to venture into the business of manufacturing clean and safe water for drinking at Moshi. This involves the drilling and abstracting water from a deep borehole, treating and packing preserved water, ready for marketing. The factory shall also manufacture plastic bottles and polythene film material for packing and packaging water products ready for sale.

Malalu Investments Company Ltd (*or MICL*) is a newly incorporated company, but the directors are experienced businesspeople. They have been dealing with printing business and operating supermarkets in consumer items for many years. Based in Moshi, MICL's prime market shall initially be in Moshi and Arusha urban centres before spreading over to other regions as shall be indicated by market surveys to be conducted continually after commencement of operations.

Two major shareholders of MICL – the promoters of this project are also the directors of two other companies of Printcare (T) Limited and Highway Supermarkets Ltd also situated in Moshi municipality. These two companies have been in business for more than twenty years now and they are both performing very well. The promoters would now like to venture into manufacturing of beverages and particularly they are planning to invest in mineral water preparation as proposed in this plan. Printcare (T) Ltd has sufficient land and buildings for its own use and an excess of its factory building capacity which will be leased to MICL for the purpose of establishing the proposed Water Treatment and Packing Factory.

The promoters intend to meet their financial resources requirements for this investment, partly through shareholders' equity and partly through sourcing of loan from local banks. The project is expected to bring economic and social benefits to Kilimanjaro and Arusha regions in particular and to the country in general. The project is one with high multiplier effect to the economy, thus it is expected to make significant contribution in alleviating unemployment, contribute to government revenue through tax and consumer levies and bring other benefits associated with increased manufacturing activities in the country.

The purpose of this study is to assess the commercial and economic viability of the project and its operational feasibility in the proposed location. Most of the baseline data and information has been compiled by the promoters' own research and study in the Tanzanian market and particularly at Kilimanjaro region where the business is expected to be located. Secondary data has been sifted and brought in by the consultants who prepared this plan. Financial details have been worked out on the basis of the market and investment cost information provided by the promoters of the project.

According to the study, this project is viable. It is not only worth undertaking, but it is a profitable business which can pay enough returns to investment and stimulate further expansion of investment to manufacturing or other sectors in the shortest possible time. Water is an essential beverage to humans, whose demand is quite insatiable. Therefore, manufacturing, packing and selling of water as a commodity is a lucrative business on the outset. This is a fact which lends a lot of potentiality to its viability for very long time, given maintenance of the appropriate production levels and marketing strategies that will put it in the appropriate market.

1.2 Study Objectives:

- (a) To analyze the relevant market and other factors impacting upon the supply and demand for manufacturing and distribution of bottled/packed mineral water products.
- (b) To examine the physical and operational characteristics of the existing market in order to determine the positioning of the proposed business in the industry.
- (c) To conceptualize the proposed project, assess its economic viability, commercial profitability, social feasibility and provide a vision as to how it should be realized.
- (d) To provide supporting documentation suitable for applying for a long term loan from financial institutions for project implementation.
- (e) Provide a basis for assessment of the project by Tanzania Investment Centre (TIC) for issuance of certificate of incentives for the investment

1.3 Study Approach:

- (a) Participatory: Semi-structured interview and discussions were held with the Company's Directors/Project Promoters, businesspeople in the beverage manufacturing sub-sector, retailers in the business and the consumers of the products.
- (b) A physical visit to the proposed location of the factory, in Moshi municipality, Kilimanjaro region and assessment of the existing infrastructure.
- (c) A brief market survey on beverage products – particularly water products in Kilimanjaro and Arusha regions.
- (d) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years of the proposed business operations.

2.0 Overview of the Manufacturing Sector in Tanzania:

2.1 The Economy:-

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being undertaken since the late 1980's. The country's economy has been constantly growing since mid 1990s by an average of above 5.5% annually. In the year 2004 the economy grew by 5.6% in 2005 by 5.9% and in 2006 by 6.2%. The growth was maintained up to 2008 when it reached 7.4%. In 2009 however, the rate dropped to 6.0%, mainly because of the Global Financial Crisis (GFC) as well as the 2008/09 drought which affected agricultural production and hydro power generation and by extension the industrial production as well (*Planning Commission – Economic Surveys for 2005 – 2009*). The GFC also adversely affected key foreign exchange earning sectors such as tourism.

All these factors had significant impact on the total GDP. However, other sectors such as communication, transportation, education and gas production continued to grow. The government projected a growth of 10% by the year 2010. This objective is now set for the next five years. The overall goal is to achieve the National Vision 2025 of becoming a middle income nation by that year (*National Development Vision 2025, National Planning Commission*).

2.2 Manufacturing Industry:

The industry as a whole accounted for 8.6% of GDP in 2009 compared to 7.8% in 2008. Manufacturing activities grew by 8.0% in 2009 from 9.9% in 2008 (*Planning Commission – Economic Survey for 2009*). The decline is largely attributed to world economic crisis again which took its toll in 2009. Manufacturing is mainly limited to processing agricultural products and light consumer goods. The sector is small and, at this rate of growth, does not make much impact on overall economic growth either. It has not performed well mainly due to the inability of most industries to compete effectively in the local, regional and international markets. Its base is depressed even further by importation of second-hand goods following trade liberalization and evasion of duties and taxes by importers. The few exceptions are these industries with a strong local market such as – all beverages i.e. beer, soft drinks (*including drinking water*), sugar, cement and cigarettes.

All in all Manufacturing Industry is one of the important sectors of the total economic activities in Tanzania. Apart from being a significant employer accounting for 18 per cent of the total wage employment and being the largest single source of urban employment, the industrial sector contributes 18 per cent of the total foreign exchange earnings. The sector also facilitates development of other sectors of the economy through supply and demand relationships and forward and backward linkages.

In the recent years the bottling for mineral water business has been rising in the country and the region in particular. This trend has been partly facilitated by the increased inability of the water authorities to provide safe and clean water to its customers (*the populations in urban and semi-urban areas*) hence most companies started bottling water for sale to fill this vacuum. At the moment it is a very common business not only in urban areas but in many rural areas as well, particularly in Kilimanjaro and Arusha regions. This is a big business that creates a lot of employment to young people and income to the government through taxes. The demand of the product is growing with the passing of time as more people are enlightened on the importance of drinking safe water. The growth of the demand is testified by the growing number of mineral water bottling firms in the country. To mention just a few, the business is currently being conducted by; Coca Cola Kwanza (*its mineral water brand – Dasani*), Uhai, Spring water, Kilimanjaro, Masafi, Njombe spring, and at least half a dozen more.

However, the growth of this line of business is still faced with a number of constraints. These include; lack of reliable infrastructure such as power, water, finance, enabling environment and other facilities required for production, hence the industry still requires significant improvement to stimulate its full growth.

2.3 The Brief Economic Overview of Kilimanjaro Region:

Kilimanjaro region is composed of seven administrative districts of: Same, Mwanga, Rombo, Moshi-Rural, Moshi-Urban, Hai and Siha (*Siha was founded after the splitting of Hai district in 2005*). With the exception of Moshi municipality and the smaller townships

of Sanya-Juu, Hai, Himo, Mkuu and Tarakea (*in Rombo*), Mwanga and Same, the rest of the region is largely rural.

The exact location of the region is in the North Eastern part of Tanzania Mainland. It lies, South of the Equator between latitudes 2° 25' and 4° 15', and longitudes 36° 25'3" and 38° 18'00" East of Greenwich. It has a common border with the Republic of Kenya in the North, Tanga region to the Southeast, Arusha region to the West and Manyara region to the South. The region covers a land area of 13,209 sq. kms. or 1.4% of the entire land area of Tanzania Mainland. Area-wise, this is the smallest region on the mainland Tanzania.

2.3.1 The Region's Economy:-

Kilimanjaro region, with a population of 1,381,149 (2002 census) has a population density of 104 people per sq. km. compared to the national average of 37 people per km². The highlands of Kilimanjaro and Pare mountains however, where most farming takes place have a population density of 350 people per km².

Table 1: Kilimanjaro Region's Districts' Population by Sex, Number of Households and Average Household size.

Districts	POPULATION (NUMBER)			HOUSEHOLDS	
	Male	Female	Total	Number	Aver. Size
Rombo	116,859	129,620	246,479	50,123	4.9
Mwanga	55,666	59,954	115,620	24,326	4.8
Same	103,520	108,805	212,325	44,474	4.8
Moshi Rural	192,998	209,433	402,431	84,862	4.7
Hai	127,782	132,176	259,958	58,056	4.5
Moshi Urban	71,040	73,296	144,336	35,598	4.1
TOTAL	667,865	713,284	1,381,149	279,439	4.6

Source: National Census 2002 Report

Note: (i) Situation before the split of Hai district to form Siha district

(ii) The region's population growth rate is 1.6 per annum – 2002 census

Agriculture is the dominant economic activity, employing more than 80% of the population in the region. This is practiced on a smallholder scale, on plots of 0.5 to 5 hectares per family, owned under freehold lease system. The main crops that are grown are: maize, beans, coffee, sunflower, sorghum, cassava, paddy, bananas and other fruits especially citrus types and mangoes. Sugarcane is grown in large farms particularly the T.P.C. To a large extent the practiced agriculture and the regional economy as a whole is basically subsistence.

People also keep small numbers of livestock i.e. a few traditional (*humped zebu*) cows, goats, sheep, pigs and freely feeding poultry. In the upper areas, the region is leading the nation in the number of pedigree dairy cows. In urban areas a good number of people rear broilers and layers poultry. In 2004, agriculture (*which includes crop farming, livestock, forestry, hunting and fishing*) contributed 69.2% to the region's GDP. Of the total agricultural output, crop farming accounted for 77.2% and livestock 16.3%, leaving 6.3% to forestry and hunting sub-sectors, while fishing accounted for only 0.2% (*Kilimanjaro Socio-Economic Profile – RC's Office*). There has been some improvement since 2004 to date, although exact figures could not be obtained from authorities at the time of writing, but the changes are insignificant in terms of improving the standard of living to the majority population.

Due to land scarcity, JICA carried out a study in 1986 to see how the region's economic situation could be improved to stimulate growth. The findings of the study recommended diversification of economic activities from heavy dependence on agriculture to small and light industry. Implementation of this recommendation is extremely slow (*if at all it is being implemented*) due to a number of reasons which this report will not dwell on; suffice it to say that its realization seems to be far-fetched indeed.

2.3.2 Location and Access of the Proposed Project:-

The proposed Water Treatment and Packing factory is being established in the municipality of Moshi, on plot No. 51 Block "JJJ" Karanga Industrial Area. This is a new prime area for industrial development in the municipality. The property upon which the factory will be established is owned by Printcare Ltd, a sister company of MICL. The factory shall therefore be easily accessible throughout the year, even by the easiest means of public bus transport.

3.0 Objectives of the Project:-

3.1 Development Objective:

MICL as a local investor aims at playing a significant role in the participation of locals in the efforts to maximize exploitation of the largely existing business potential in manufacturing industry in Tanzania.

3.2 Immediate Objectives:

- (a) To build and operate a modern Water Treatment and Packing factory in Moshi. This will be accompanied by the whole system of distribution and marketing of the factory's products.
- (b) Creating employment opportunities to skilled and semi-skilled Tanzanians in both – the management and industrial operations of the business.
- (c) To participate in the revamping of Kilimanjaro region's ailing economy after the declining of agricultural outputs and instability of coffee markets and prices in the international market.

4.0 The Project's Rationale and Concept:

4.1 Rationale:-

The increasing and diversified economic activities, population growth, and increase in tourism business in the country have created business opportunity in food and beverage related commodities. This has stimulated industrial production of these commodities. Packed safe drinking water is one of these commodities. The Northern Tourist Circuit with its hub in the Arusha municipality, and a very important activity centre in Moshi municipality as the gateway to Kilimanjaro National Park and Kilimanjaro mountain climbing expeditions, guarantees the growing demand of popular beverages including drinking water.

A market study by the project promoters indicates that, bottled water is one of the fastest moving items in all bars, restaurants, retail shops, grocers and supermarkets in Moshi and Arusha, throughout the year. The single largest supplier of this commodity has for a very long time been the Bonite Bottlers Ltd – a coca-cola manufacturer. But the main

market for this supplier's products is in Dar-es-Salaam where its retail price is also higher than in Moshi. This will be the largest competitor of MICL's products in the market. The fact that more people are being enlightened of the dangers of drinking open surface water and untreated water from piped sources is a sure way of increasing the potential market of the proposed MICL products, hence the need for increased production of the commodity to meet the growing demand.

4.2 The Project Concept:-

MICL's Water Treatment and Packing factory and the whole business of producing and distributing packed water products is divided into two main components. The first component is the factory itself. This will be a fairly large or medium sized factory with the initial installed capacity of producing 10 m³/hr (or 10,000 litres per hour) of treated water from a deep borehole (more than 80 mts. underground). The water will be filled and packed in plastic bottles and containers of 0.5 lts to 5 gallons by three different bottling plants:-

- One plant for 0.5 lts, 1.0 lts and 1.5 lts bottles, with a capacity of 4000 BPH (Bottles per hour).
- One plant for 5 lts and 10 lts bottles with a capacity of 150 BPH and
- One plant of 3 to 5 gallons containers with the capacity of 100 to 150 BPH

These plants can produce for three shift a day (24 hrs) if needed to do so. They will be accompanied by production lines of their respective packing bottles and containers and other packaging materials (which will be made up of plastics). To complement the production of packing and packaging materials, there will be a plastic recycling plant to recycle used polythene and HDPE to produce raw material for the bottle blowing plants alongside the use of imported plastic granules.

The second component of the MICL's business will involve the marketing and distribution system of the company's products to wholesalers, sales agents and other selling points throughout the two regions of Kilimanjaro and Arusha and beyond. This component will be made up of MICL's staff and the whole array of assets and equipment to be used in the marketing and distribution of MICL's products. These will include long distance haulage vehicles, short distance distribution vehicles and the network of MICL's distribution and sales agents with all their facilities to be used in the business, i.e. storage facilities, distribution vehicles etc. The idea is to streamline the company's management in the marketing and sales departments by using distribution and sales agents intensively.

5.0 Project's Business Environment Analysis:

5.1 Internal Environment:-

5.1.1 The Project Promoters:

The Company Details: MICL was incorporated in December 2010 in the United Republic of Tanzania under the Companies Act 2002, and it was given Certificate of Incorporation number 80689. It is a new company but its shareholders and directors are experienced businesspeople in running corporate entities. As explained elsewhere in this report, the directors of MICL are directing two other companies in the names of Highway Supermarkets Ltd and Printcare (T) Ltd. The two companies have been successfully operated for more than 20 years now, and are generating annual turnover of

approximately T.Shs. 2 billion. The directors are quite optimistic of the successful take-off and implementation of this business plan as proposed herein.

The following is the list of initial shareholders, number of shares and their holding percentages in the company.

Table 2: Ownership Structure of the Company

Sno	Name and Address	Number of Shares	Percentage of Holding
1.	Roman S. Kimaryo of Moshi, Tanzania	75	50%
2.	Grace R. M. Kimaryo of Moshi, Tanzania	30	20%
3.	Rogers R. Kimaryo of Moshi, Tanzania	15	10%
4.	Albert R. Kimaryo of Moshi, Tanzania	15	10%
5.	Raymond R. Kimaryo of Moshi, Tanzania	15	10%

5.1.2 Management:-

MICL as a corporate entity is managed under the Board of Directors. Day to day management of its business shall be under the company's Managing Director (or CEO) – Mr. Roman S. Kimaryo a committed, serious and well experienced businessman. As explained earlier, Mr. Kimaryo has been in business as CEO for more than 20 years. This project is his brain child. He is therefore well prepared to embark on implementation of the proposed project and in the successful operation of its business thereafter.

The Managing Director will be closely assisted by well qualified professionals in food processing/beverages bottling management and operations. The company's managers and operational staff will be recruited for their competence, experience and good track record in their respective fields and in previous employments. Recruitment of any extra staff in future will always follow these standards.

Management structure of MICL will have the following five main departments of:-

- General Management
- Production
- Marketing and Sales
- Operations and
- Finance

These departments are coordinated by the Managing Director through the Factory Manager. The company's organizational structure is shown on the following drawing on page 8 in Figure 1 below:-

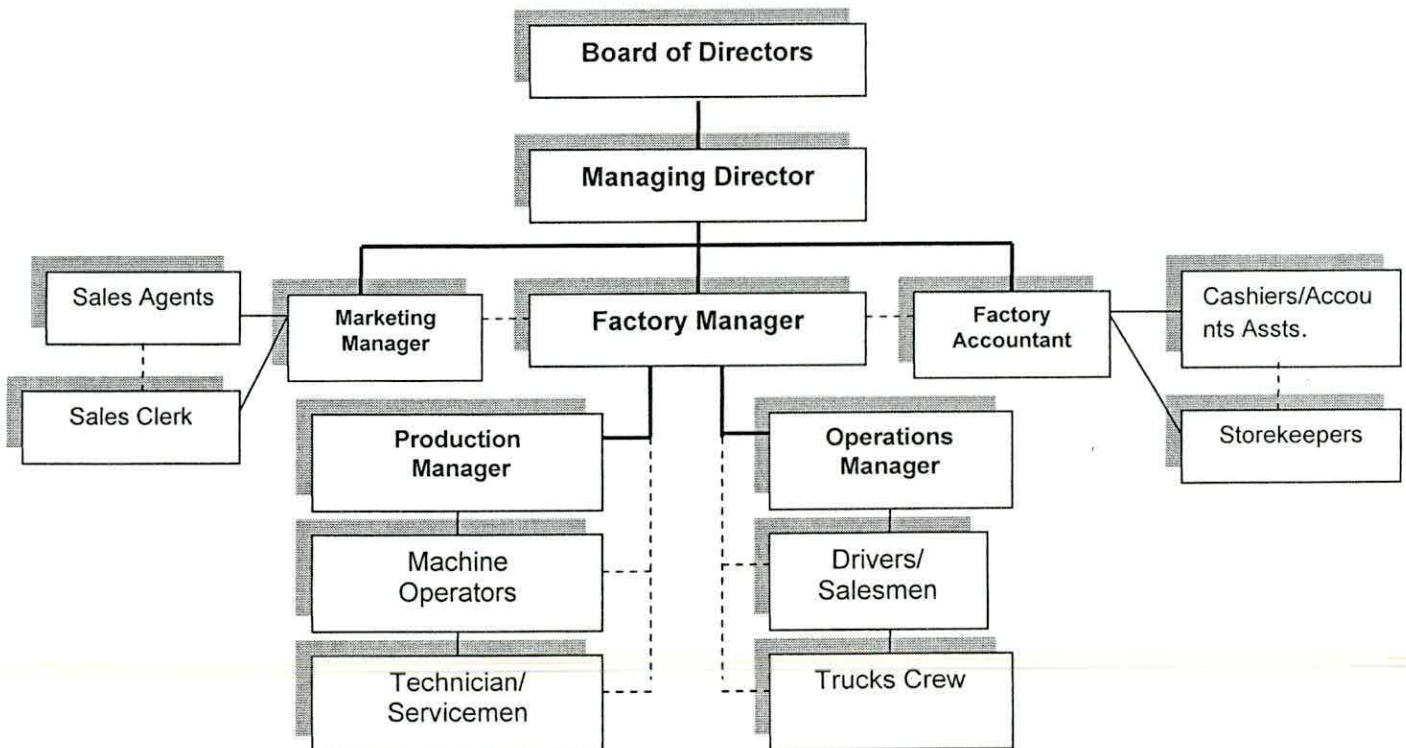
The following is a brief résumé of the Managing Director and the criteria to be used to recruit other key management personnel:-

- Managing Director – Mr. R. S. Kimaryo holds a Diploma in Business Administration – (*Finance*) from College of Business Administration 1976 – 1978.

His work experience started as Accounts Assistant at Cooperative College, Moshi in 1974 – 1976; Assistant Accountant in 1978 – 1980; Purchasing Officer in 1981 – 1984, the year he resigned employment to start his own business after incorporating “Internal Traders & Supplies Co. Ltd” which dealt with supplying Stationery and Office Equipment. In 1990 he established another company – “Printcare (T) Ltd” which he is managing to date. In 2001 he initiated a subsidiary company of Printcare (T) Ltd, in the name of Highway Supermarket Ltd. Both companies are situated in the municipality of Moshi. Mr. Kimaryo is the CEO of MICL.

- Factory Manager – This position will be held by a person with at least Advanced Diploma in Food Processing or Bottling Plant management. Experience of not less than 2 years in managerial position will be needed.
- Marketing Manager and Operations Officer – These two positions will be manned by people with at least Diplomas in Business Administration with bias in their respective specialties of marketing and supplies and distribution with at least 2 years experience in an industrial set-up.
- Accountant – This will be for a holder of Diploma in Accountancy or Intermediate Accounting Professional qualification (or ATEC III) with at least 2 years post qualification experience.

Figure 1: Organizational Structure of Malalu Investments Co. Ltd



Key:
 _____ Line Management Relationship
 - - - - - Functional Relationship

5.1.3 Labour Requirements:

Initially the company will hire a total of 44 employees as shown on *annexure V* to this report titled "*Manpower Requirements and Wages Schedule*". The largest portion of the workers will be in the production section, which will absorb 26 employees of the total. This will be followed by Marketing Sales and Distribution sections which will absorb a total of 9 employees. The rest will be in administration, accounting and stores.

The company shall streamline management and the size of labour force by outsourcing some of the services such as cleaning, maintenance and to a large extent security services. The company's 4 guards will be assigned special duties, while general security of the company's premises will be under a contracted security company. Marketing and sales department will be by and large under marketing executives and sales agents. All these measures are aimed at promoting cost efficiency by cutting down unnecessary costs to realize maximum profits.

5.1.4 Technical Aspects:

MICL envisages using the best available technology for production and allied activities in the factory. All the machines in the factory will be the modern items in the market today. Since these machines are not available in the local market, MICL will import all of them.

The factory will have a power backup generator, two forklifts for production common facility utility in the factory and other support equipment. In bottling industry, availability of packing material in adequate quantities is crucial. As explained earlier the factory will have its own plastic bottles production lines. These will also be backed up by a plastic recycling plant to make sure that there will be sufficient raw materials for plastic bottle production all the time, and also to cut down the cost of importing plastic granules for bottle production.

Motor vehicles: There will be at least 2 heavy duty trucks of 30 tons each for long distance haulage of the company's products to the markets and inwards transportation of the factory's raw materials. There will also be 2 light duty trucks (*fuso*) of 4 tons each for short distance haulage and 3 one ton pick-ups for local distribution of the company's products. One 30 passenger mini-bus for employees' transportation and one saloon car for the management will be acquired.

Computerized Record System: For the purpose of facilitating modern information management practices, equipment for computerizing records will be used by the company. These will simplify recording of purchases, sales, invoicing, receipting of payments and calculation of taxes. The system will give the company's management access to daily business transactions with a lot of ease. The company will continue improving on the system to maximize the benefits of modern IT in managing business.

5.2 External Environment:-

5.2.1 The Market:

MICL's policy on marketing will be to conduct market surveys continually as a way of establishing current market situations and also as the means of enabling the company to develop marketing strategies which assure consumers' confidence on choice of services products and services rendered by the company. The aim is to penetrate new markets and retain the market segments which the company shall have already won. Surveys will also enable the company to identify the potential market for its products and plan strategies for its penetration.

Market surveys and analyses which were conducted, during feasibility study, which is expected to be the situation prior to commencement of business, concentrated mainly on market structure, the existing level of competition and the possibility of increased competition in future. The findings revealed that the current market structure particularly on the supply side is very limited while the demand side is increasingly on the rise. Elasticity of the demand side of the market, accompanied by a static supply side, is a positive sign to any new investment aiming at contributing to increased supply of the particular commodity.

The current market is constituted by the following three main segments:-

- Wholesalers and large suppliers such as supermarkets.
- Large consumers such as hotels and bars.
- Retail traders such as retail shops, kiosks and street vendors.

The target market segment for the company shall be the first one – wholesalers and large suppliers. Being a manufacturer, the most economical outlet of the company's products shall be this market segment because it will minimize distribution costs of the company. The other two segments will also be conveniently served by MICL depending on the market situation and cost effectiveness.

5.2.1.1 Competition:

There is substantial competition between the existing producers and suppliers of packed water who are currently in the market. However, in the Northern regions of Kilimanjaro and Arusha competition is not very stiff. The dominant supplier of the product is Bonite Bottlers Ltd which produces its premium brand of "Kilimanjaro Water". The other producers/suppliers hold negligible positions in the competitive market. On entering the market, MICL envisages being the next largest and strongest competitor to Bonite Bottlers Ltd in the Northern zone of the country. In the *table 3* below, the current ranking of competitors in the market is shown.

Table 3: Competitor Ranking in Market Share

SNo	Name of Competitor	Name of Product	Current Market Share
1	Bonite Bottlers	Kilimanjaro water	70%
2	Bakhresa	Uhai water	10%
3	Pare Mountain	Pare Mountain water	5%
4	Serengeti	Serengeti water	5%
5	Masafi	Masafi water	5%
6	Coca Cola Kwanza	Dasani water	5%

5.2.1.2 Market Potential:

Kilimanjaro region has a total population of 1,381,149 (2002 national census. Annual growth rate is 1.6%). According to a survey conducted by the project promoters in 2010, about 10% of the population takes at least 0.5 lts of packed water four times a week. This rate keeps increasing with the population growth and the increasing number of people who are aware of the dangers of drinking unsafe water.

The estimated consumption rate for the local Kilimanjaro regional market is therefore $150,000 \times 4 \times 52/2 = 15,600,000$ lts of water annually. In the year 2010 Kilimanjaro region received about 40,000 tourists (Tanzania Tourist Board 2007). More than 90% of the tourists climbed Mt. Kilimanjaro. Mountain climbers are recommended to take at

least 5 litres of water a day when climbing. The normal/regular Marangu mountain climbing route takes 5 days to and from the peak. Other tougher routes such as Machame and Rongai routes take up to 7 days for amateur climbers. Assuming that this number of tourists (40,000) will be maintained and further increased (*there has been an upward trend of tourist arrivals since 1995, see table 4 below*); calculation for their water consumption will be as follows: $40,000 \times 5 \times 5 = 1,000,000$ lts of water when climbing only.

According to the conducted survey in 2010, about 60% of all tourists take at least one litre of water every day, while in the country. The mountain climbers spend at least two more days in Moshi, one day before and another day after climbing. So this is another 2 litres x 30,000 tourist = 60,000 lts. The number of both – the local and tourist customers is expected to continue growing as already explained, depicting a reliable market potential for water products. These calculations are for the market in Kilimanjaro region only. In Arusha the figures for tourists will be much higher because of the higher influx of foreign visitors.

It also worth to note that the local market is growing very fast as the consumption habit of locals is rapidly and positively changing for a number of reasons. One of them is increased education among the local population on hygiene and the continued inability of urban water supply authorities to provide their customers (*urban populations*) with clean and safe drinking water on a reliable basis. With a population growth rate of 1.6% annually, the market potential is clearly guaranteed.

Table 4: Distribution and Numbers of Visitors (both local and foreign) to the Major Parks in Tanzania Mainland, 1997 to 2000, 2006 & 2007

National Park	Total visits						% change 2006/07
	1997	1998	1999	2000	2006	2007	
Kilimanjaro	16,378	17,333	22,560	33,515	38,446	39,926	3.8
Serengeti	116,993	123,652	202,858	309,517	267,183	284,495	6.4
Manyara	60,735	62,690	73,820	85,775	133,519	145,042	8.6
Ngorongoro	185,468	192,917	200,800	208,249	p. 218,349	527,380	p.141.5
Arusha	26,821	29,366	45,880	48,425	53,145	52,881	-0.49
Mikumi	7,031	3,630	12,784	10,609	28,702	28,673	-0.1
Ruaha	5,683	6,268	10,938	11,523	22,364	19,279	-13.8
Tarangire	57,097	64,315	56,724	67,720	103,114	117,643	14.1
Gombe	910	1150	961	2201	819	910	11.1
Total	477,116	501,321	627,325	777,533	865,641	1,216,229	40.5

Source: Economic Survey – Planning Commission June 2000 2001, 2007 & 2008

5.2.1.3 Marketing and Sales Promotion:

MICL's strategy marketing its products shall be to use every effective and efficient tool available to present the company's, products and services to the targeted market. These tools will include, but not limited to:

- Use of promotional materials i.e. fliers and posters
- Advertisements in print media and electronic media
- Online Advertising through the Company's website
- Publicity using public addressing systems in urban areas
- Participation in international and local Trade Shows and Exhibitions

- Participation in promotional galas i.e. offering water for free in social gatherings and in fundraising activities for charity donations, where high profile guests and would be future buyers are invited.

The major aim of advertisements and promotional activities will be to build the name and recognition of the company to the general public (*the future goodwill*). The second aim will be to target the would be future buyers, particularly the large ones, win them and retain them to build-up the company's market share.

Marketing strategies for the company shall always be guided by market researches and surveys, which will be a continuous exercise in the company's business. The strategies shall aim at early market penetration, scooping as much of the market share as possible in the existing market and where possible create new markets.

5.2.1.4 Pricing Policy:

Pricing of the MICL products will be aimed at two goals: First to effectively penetrate the market and second to achieve early cost recovery. The company will generate baseline prices based on a cost-plus approach with the goal of maintaining a 30% to 35% gross margin. Discounts will be offered and other incentives (*gifts*) to initial customers and agents which will range from 10% to 15%. Actual prices for the different packages of water are shown on *annexure XIII* to this report. The pricing system is based on the size of containers.

5.2.3 Economic Aspects:

The fact that Tanzania's economy is growing is enough evidence of conduciveness of the economic situation in the country for any viable business enterprise. The need to fulfill market needs as envisaged in this project arises from uninterrupted functions of market forces. This is a healthy situation for the growth of both – the business and national economy.

Apart from being in line with the government's economic policies, the project also has backward linkage to service sectors and forward linkage to trade, tourism industry and transportation. The project shall also have the following effects to the economy:-

- Employment: The project will create direct employment to the core (*permanent*) staff of 44 skilled and semi-skilled people and indirect employment to more than twice the number of people.
- Government Revenue: The Company is expected to collect more than T.shs. 1.0 billion in the first 5 years of its operations in the form of consumer levies i.e. VAT and pay corporate taxes worth more than T.Shs. 994.6 million.

5.2.4 Political Climate:

The country's political situation is quite favourable in the business operations. There is a stable government with economic policies that encourage and promote the private sector in the running of the economy. Dialogue between the government and the private sector is institutionalised through such organizations as the T.C.C.I.A., C.T.I. etc. This enables the government to share experiences with the private sector to come up with policies that are favourable to the sector's growth. The government has gone as far as forming a "National Business Council" whose chairman is the president himself.

6.0 Environmental Protection:

Studies the world over have shown that manufacturing sector is among the sectors with the highest rate of pollution by emitting highly destructive gases such as carbon dioxide, carbon monoxide and other oxidized gases with high radioactive forcing, causing destruction to the ozone layer. The equipment and machinery to be used by MICL has been checked for environmental compliance and are sold by reputable suppliers with approval by international standards organisation (ISO). However, the machines will be checked and certified by the Ministry of Trade, Industry and Marketing and the Tanzania Bureau Standards on their arrival in the country, before they are put into operation by the company as required by the law. This guarantees that the project will bring no harm to the environment and it will obviously be accepted by government and all technical authorities in the region. This project is environmentally friend.

MICL's businesses shall be conducted in compliance with the existing laws i.e. the National Environmental Protection Act and national guidelines on environmental protection, monitored by NEMC (*National Environmental Management Council*). The social environment will be improved by the business through increased employment and observation of good neighbourliness with all the people and communities neighbouring the company's business operation centres wherever they are.

The natural environment shall be protected through proper and prudent disposal of solid wastes. Prompt and regular repairs and conduction of routine maintenance to motor vehicles and other machinery, shall be always observed to minimize emission of fumes and regulate noises. The company will promote tree planting where possible and necessary in the effort to control erosion and minimize environmental degradation.

7.0 Financial and Economic Viability:

Economic and financial viability of the proposed manufacturing project is shown in the financial projections in *annexure I to XIII*. The projections in *annexure VIII* and *IX* respectively indicate that the project will be operating on profit throughout the projected 5 years from year one. The project should realize net cash balance of T.shs. 22.5 million in year 1, gradually rising to over T.shs. 1.5 billion in the 5th year. This will enable the company to re-invest and service its loan as per *annexure II* and *IV* respectively, and meet its other important financial obligations. Looking at the performance of similar projects in the country, achievement of these levels of performance by MICL is quite possible.

Projections also, portray a growth of assets from T.shs. 1.5 billion to over T.Shs. 2.9 billion in the fifth year (*annexure X*) and an IRR of 20.24%, which is in the region of current interest rates in the country, which are currently ranging between 12% and 22%. The project is expected to create direct employment to 44 skilled and semi-skilled people and indirect employment to more than twice that number.

7.1 Assumptions Underlying the Financial Projections:

Revenue:

Assumptions used to calculate revenue for the business are shown in the *appendix XIII*. The figures are taken as 100% performance of the business and applied constantly throughout the 5 years of projections. The first year is assumed to achieve 25% capacity

utilization performance, while the second to the fifth year the performance is assumed to be 30%, 40%, 50% and 55% respectively.

Operating Expenses:

These are based on the variable, fixed and semi-fixed costs schedule in the *annexure VI*. The rounded estimates are based on percentage estimates from operations of other businesses of similar nature to the proposed one. Others are based on such schedules as wages schedule – *annexure V* and percentages of cost of sales from annual sales schedule – *annexure XIII*.

8.0 Estimated Project Costs and Financing Plan:

Looking at *annexure I* the total investment cost of the project is estimated at T.shs. 1,644.6 million, equivalent to US.\$ 1.096 million. The larger portion of the investment cost outlay will be applied in Plant and Machinery acquisition. This will be followed by Building Renovation and alteration to suit the needs of the new investment. The third largest cost will be in the purchasing of motor vehicles and lastly the furniture. The pre-operational expenses as analysed include all preparatory costs prior to the commencement of business.

MICL plans to contribute a total of T.Shs. 598.45 million towards implementation of the project and apply for a loan to the tune of T.shs. 1.046 billion from financial institutions. The schedules in *annexure I and IV* analyses the investment structure and loan repayment schedule respectively. Re-investment in the 5th year, particularly in acquisition of motor vehicles shall be financed internally. No credit facility will be required to finance re-investment.

8.1 Security and Collateral:

The project promoters propose to use the existing property under the ownership of Printcare (T) Ltd as collateral against the sought loan for implementation of this project. The other assets to be acquired by the company as proposed in this plan shall also be declared as collateral depending on arrangements to be agreed upon with the financiers.

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***INVESTMENT STRUCTURE**

Combined Investment Will Be As Follows:-
(The Figures are in T.Shs. "000")

ITEM	EQUITY	FINANCIER	TOTAL
Land & Buildings	283,952	-	283,952
Motor vehicles – Light	150,000	-	150,000
Motor Vehicles – heavy	-	211,500	211,500
Plant & Machinery	12,000	834,700	846,700
Furniture & Fittings	22,500	-	22,500
Equipment Tools & Light Machines	84,999	-	84,999
Pre-Operational Expenses	45,000	-	45,000
TOTAL	598,451	1,046,200	1,644,651
Ratio	36.4%	63.6%	100%

Note: Pre-Operational Expenses includes:-

(i) Professional & Consultancy Fees	<u>T.Shs.</u> 11,500
(ii) Registration Fees	2,500
(iii) Insurances	17,500
(iv) Travelling Expenses	<u>13,500</u>
Total	<u>45,000</u>

Annexure II

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***INVESTMENT AND RE-INVESTMENT SCHEDULE**
(The figures are in T.Shs. "000")

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Land & Buildings	283,952	-	-	-	-	-
Motor Vehicles – Light	-	150,000	-	-	-	-
Motor Vehicles – Heavy	-	211,500	-	-	-	211,500
Plant & Machinery	-	846,700	-	-	-	-
Furniture & Fittings	-	22,500	-	-	-	-
Machinery & Equipment	-	84,999	-	-	-	-
Pre-Operat. Expenses	-	45,000	-	-	-	-
TOTAL	283,952	1,360,699	=	=	=	211,500

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***ECONOMIC & TAX DEPRECIATION SCHEDULE**

(The figures are in T.Shs. "000")

ECONOMIC DEPRECIATION:

ITEM/YEAR	Rate	Year 1	Year 2	Year 3	Year 4	Year 5
Land & Buildings		283,952	278,273	272,708	267,254	261,909
Depreciation	2%	5,679	5,565	5,454	5,345	5,238
NBV 31/12		278,273	272,708	267,254	261,909	256,671
Motor Vehicles – Light		150,000	112,500	84,375	63,281	47,461
Depreciation	25%	37,500	28,125	21,094	15,820	11,865
NBV 31/12		112,500	84,375	63,281	47,461	35,596
Motor Vehicles – Heavy		211,500	132,188	82,617	51,636	243,772
Depreciation	37.5%	79,312	49,571	30,981	19,364	91,415
NBV 31/12		132,188	82,617	51,636	32,272	152,357
Plant & Machinery		846,700	740,862	648,254	567,222	496,319
Depreciation	12.5%	105,838	92,608	81,032	70,903	62,040
NBV 31/12		740,862	648,254	567,222	496,319	434,279
Furniture & Fittings		22,500	19,687	17,226	15,073	13,189
Depreciation	12.5%	2,813	2,461	2,153	1,884	1,649
NBV 31/12		19,687	17,226	15,073	13,189	11,540
Equipm., Light Machines & Tools		84,999	74,374	65,077	56,942	49,824
Depreciation	12.5%	10,625	9,297	8,135	7,118	6,228
NBV 31/12		74,374	65,077	56,942	49,824	43,596
Pre-Operational Expenses		45,000	36,000	28,800	23,040	18,432
Depreciation	20%	9,000	7,200	5,760	4,608	3,686
NBV 31/12		36,000	28,800	23,040	18,432	14,746
Economic Depreciation		<u>250,767</u>	<u>194,827</u>	<u>154,609</u>	<u>125,042</u>	<u>182,130</u>
Accumulated Depreciation		<u>250,767</u>	<u>445,594</u>	<u>600,203</u>	<u>725,245</u>	<u>907,375</u>

TAX DEPRECIATION:

ITEM/YEAR	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Land & Buildings	283,952	2,839	2,783	2,727	2,672	2,619
Motor Vehicles – Light	150,000	37,500	28,125	21,094	15,820	11,865
Motor Vehicles – Heavy	211,500	79,312	49,571	30,981	19,364	91,415
Plant & Machinery	846,700	105,838	92,608	81,032	70,903	62,040
Furniture & Fittings	22,500	2,813	2,461	2,153	1,884	1,649
Machines & Equipment	84,999	10,625	9,297	8,135	7,118	6,228
TOTAL	-	<u>238,927</u>	<u>184,845</u>	<u>146,122</u>	<u>117,761</u>	<u>175,816</u>

MALALU INVESTMENTS CO. LTD.
Drinking Water Abstraction, Treatment and Packing Project

LOAN REPAYMENT AND INTEREST SCHEDULE
(The figures are in T.Shs. "000")

YEARS	OUTSTANDING	INSTALMENT	INTEREST 18%	TOTAL
1	1,046,200	209,240	188,316	397,556
2	836,960	209,240	150,653	359,893
3	627,720	209,240	112,990	322,230
4	416,480	209,240	75,326	284,566
5	209,240	209,240	37,663	246,903
TOTAL	-	1,046,200	564,948	1,641,148

Annexure V

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***MANPOWER REQUIREMENTS AND WAGES SCHEDULE**
(The figures are in T.Shs. "000")

POSITION	No. of Employees	Monthly Salaries @	Monthly Payroll Bill	Annual Payroll Bill
Administration:				
Factory Manager	1	2,000	2,000	24,000
Secretary	1	400	400	4,800
Watchmen	4	150	600	7,200
Sub-Total	6	-	3,000	36,000
Production Dept:				
Production Manager	1	1,500	1,500	18,000
Technician	1	600	600	7,200
Machine Operators	24	350	8,400	100,800
Sub-Total	26	-	10,500	126,000
Marketing Dept:				
Marketing Manager	1	1,500	1,500	18,000
Salesmen/Drivers	7	400	2,800	33,600
Sales Clerk	1	350	350	4,200
Sub-Total	9	-	4,650	55,800
Accounts Section:				
Accountant	1	1,000	1,000	12,000
Accounts Assistant/Cashier	1	400	400	4,800
Storekeeper	1	400	400	4,800
Sub-Total	3	-	1,800	21,600
GRAND TOTAL	44	-	19,950	239,400

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***VARIABLE, FIXED AND SEMI-FIXED COSTS SCHEDULE**
(The figures are in T.Shs. "000")

ITEM/YEAR	Year 1	Year 2	Year 3	Year 4	Year 5
VARIABLE COSTS:					
Operating Capacity	25%	35%	40%	55%	55%
Raw Materials	4,108,992	4,930,790	6,574,387	8,217,985	8,744,784
Fuel & Lubricants	676,910	897,420	1,258,520	1,506,893	1,641,900
Spares, Repairs & Maintenance	80,620	92,850	126,400	159,200	172,650
Tyres & Tubes	276,480	334,560	498,740	674,880	756,920
Salaries & Wages (production)	168,600	168,600	168,600	168,600	168,600
Water & Electricity (production)	496,232	578,493	782,351	988,464	1,091,233
Rent	12,000	12,000	12,000	12,000	12,000
Licence & Insurance	21,500	21,500	21,500	21,500	21,500
Advertisements	8,000	8,000	8,000	8,000	8,000
Travelling Expenses	36,000	48,000	54,000	60,000	66,000
TOTAL Variable Costs	<u>5,885,334</u>	<u>7,092,213</u>	<u>9,504,498</u>	<u>11,819,522</u>	<u>12,685,587</u>
FIXED & SEMI-FIXED COSTS:					
Salaries & Wages (administration)	70,800	70,800	70,800	70,800	70,800
NSSF Employer's Contributions	23,940	23,940	23,940	23,940	23,940
Skills & Development Levy	14,364	14,364	14,364	14,364	14,364
MV Running Expenses	14,400	16,800	19,200	21,600	24,000
Telephone & Postage	4,800	6,000	6,600	7,200	7,800
Emails & Internet	7,800	9,000	10,800	12,600	13,200
Printing & Stationery	1,200	1,320	1,440	1,560	1,680
Electricity & Water (administration)	1,080	1,200	1,320	1,440	1,560
Bank Charges	720	780	840	900	1,080
Directors' Remunerations	24,000	25,200	26,400	28,800	30,000
Transport & Travelling	9,600	10,800	12,000	12,600	13,200
Audit & Accountancy Fees	1,200	1,200	1,200	1,500	1,500
Miscellaneous Expenses	420	480	540	600	660
TOTAL Fixed & Semi-Fixed Costs	<u>161,364</u>	<u>181,884</u>	<u>189,444</u>	<u>197,904</u>	<u>203,784</u>
TOTAL OPERATING COSTS	<u>6,046,698</u>	<u>7,274,097</u>	<u>9,693,942</u>	<u>12,017,426</u>	<u>12,889,371</u>

MALALU INVESTMENTS CO. LTD.
Drinking Water Abstraction, Treatment and Packing Project

PROJECTED WORKING CAPITAL SCHEDULE
(The figures are in T.Shs. "000")

ITEM/YEAR	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Capacity	25%	30%	40%	50%	55%
CURRENT ASSETS:					
Stocks	92,098	154,063	233,051	265,517	286,738
Debtors	<u>54,860</u>	<u>65,832</u>	<u>87,778</u>	<u>109,810</u>	<u>120,692</u>
TOTAL CURRENT ASSETS	<u>146,958</u>	<u>219,895</u>	<u>320,829</u>	<u>366,327</u>	<u>407,430</u>
CURRENT LIABILITIES:					
Creditors & Accruals	<u>63,353</u>	<u>42,592</u>	<u>17,613</u>	<u>29,305</u>	<u>32,682</u>
TOTAL CURRENT LIABILITIES	<u>63,353</u>	<u>42,592</u>	<u>17,613</u>	<u>29,305</u>	<u>32,682</u>
NET WORKING CAPITAL	83,605	177,303	303,216	337,022	374,748
CHANGE IN W/CAPITAL	<u>83,605</u>	<u>93,698</u>	<u>125,913</u>	<u>33,806</u>	<u>37,726</u>

Annexure VIII

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***PROJECTED INCOME STATEMENTS**
(The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Capacity	25%	30%	40%	50%	55%
Revenue:					
Sales	6,583,200	7,599,840	10,533,120	13,166,400	14,483,040
Less: Variable Costs	5,885,334	7,092,213	9,504,498	11,819,522	12,685,587
Contributions Margin	<u>697,866</u>	<u>807,627</u>	<u>102,622</u>	<u>1,346,878</u>	<u>1,797,453</u>
Less: Fixed & S/Fixed Costs	161,364	181,884	189,444	197,904	203,784
Operating Surplus	<u>536,502</u>	<u>625,743</u>	<u>839,178</u>	<u>1,148,974</u>	<u>1,593,669</u>
Less: Capital Charges:-					
- Economic Depreciation	250,767	194,827	154,609	125,042	182,130
- Interest on Loan	188,316	150,653	112,990	75,326	37,663
Total	<u>439,083</u>	<u>345,480</u>	<u>267,599</u>	<u>200,368</u>	<u>219,793</u>
Profit Before Tax	<u>97,419</u>	<u>280,263</u>	<u>571,579</u>	<u>948,606</u>	<u>1,373,876</u>
Less: Tax Depreciation	238,927	184,845	146,122	117,761	175,816
Add: Economic Depreciation	250,767	194,827	154,609	125,042	182,130
Taxable Income	<u>109,259</u>	<u>290,245</u>	<u>580,066</u>	<u>955,887</u>	<u>1,380,190</u>
Tax Payable 30%	32,778	87,074	174,020	286,766	414,057
NET PROFIT AFTER TAX	<u>64,641</u>	<u>193,189</u>	<u>397,559</u>	<u>661,840</u>	<u>959,819</u>
Profit Brought Forward	-	64,641	257,830	655,389	1,317,229
RETAINED EARNINGS	<u>64,641</u>	<u>257,830</u>	<u>655,389</u>	<u>1,317,229</u>	<u>2,277,048</u>

Annexure IX

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***PROJECTED CASHFLOW STATEMENTS**
(The figures are in T.Shs. "000")

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Capacity	0%	25%	30%	40%	50%	55%
CASH INFLOWS:						
Term Loan	1,046,200	-	-	-	-	-
Equity	598,451	-	-	-	-	-
Profit Before Tax	-	97,419	280,263	571,579	948,606	1,373,876
Economic Depreciation	-	250,767	194,827	154,609	125,042	182,130
TOTAL INFLOWS	<u>1,644,651</u>	<u>348,186</u>	<u>475,090</u>	<u>726,188</u>	<u>1,073,648</u>	<u>1,556,006</u>
CASH OUTFLOWS:						
Investment	1,644,651	-	-	-	-	-
Re-Investment	-	-	-	-	-	211,500
Loan Repayment	-	209,240	209,240	209,240	209,240	209,240
Income Tax	-	32,778	87,074	174,020	286,766	414,057
Change in W/Capital	-	83,605	93,698	125,913	33,806	37,726
TATOL OUTFLOWS	<u>1,644,651</u>	<u>325,623</u>	<u>390,012</u>	<u>509,173</u>	<u>529,812</u>	<u>872,523</u>
NET IN/(OUT) FLOWS	-	<u>22,563</u>	<u>85,078</u>	<u>217,015</u>	<u>543,836</u>	<u>683,483</u>
Opening Balance	-	0	22,563	107,641	324,656	868,492
Closing Balance	-	<u>22,563</u>	<u>107,641</u>	<u>324,656</u>	<u>868,492</u>	<u>1,551,975</u>

MALALU INVESTMENTS CO. LTD.
Drinking Water Abstraction, Treatment and Packing Project

PROJECTED BALANCE SHEETS
(The figures are in T.Shs. "000")

ITEM	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS:					
Fixed Assets at Cost	<u>1,644,651</u>	<u>1,644,651</u>	<u>1,644,651</u>	<u>1,644,651</u>	<u>1,856,151</u>
Less: Accumulated Depreciation	250,767	445,594	600,203	725,245	907,375
Net Fixed Assets	<u>1,393,884</u>	<u>1,199,057</u>	<u>1,044,448</u>	<u>919,406</u>	<u>948,776</u>
Current Assets:					
Stocks	92,098	154,063	233,051	256,517	286,738
Debtors	54,860	65,832	87,778	109,810	120,692
Cash in Hand/Bank	22,563	107,641	324,656	868,492	1,551,975
Total Current Assets	<u>169,521</u>	<u>327,526</u>	<u>645,485</u>	<u>1,234,819</u>	<u>1,959,405</u>
TOTAL ASSETS	<u>1,563,405</u>	<u>1,526,593</u>	<u>1,689,933</u>	<u>2,154,225</u>	<u>2,908,181</u>
CURRENT LIABILITIES:					
Creditors & Accruals	63,353	42,592	17,613	29,305	32,682
Total Current Liabilities	<u>63,353</u>	<u>42,592</u>	<u>17,613</u>	<u>29,305</u>	<u>32,682</u>
Net Current Assets	<u>106,168</u>	<u>288,777</u>	<u>627,872</u>	<u>1,205,514</u>	<u>1,934,688</u>
NET ASSETS	<u>1,500,052</u>	<u>1,484,001</u>	<u>1,672,320</u>	<u>2,124,920</u>	<u>2,875,499</u>
TO BE FINANCED BY:					
Equity	598,451	598,451	598,451	598,451	598,451
Retained Earnings	64,641	257,830	655,389	1,317,229	2,277,048
	<u>663,092</u>	<u>856,281</u>	<u>1,253,840</u>	<u>1,915,680</u>	<u>2,875,499</u>
Term Loan	836,960	627,720	418,480	209,240	0
Total	<u>1,500,052</u>	<u>1,484,001</u>	<u>1,672,320</u>	<u>2,124,920</u>	<u>2,875,499</u>

Annexure XI

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***DISCOUNTED CASHFLOW AND INTERNAL RATE OF RETURN**
(The figures are in T.Shs. "000")

ITEM	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
CASH INFLOWS:						
Gross Operating Surplus	-	536,502	625,743	839,178	1,148,974	1,593,669
Salvage Value of Assets	-	-	-	-	-	948,776
Recoupment of W/Capital	-					374,748
Total Inflows	-	536,502	625,743	839,178	1,148,974	2,917,193
CASH OUTFLOWS:						
Investment	1,644,651	-	-	-	-	-
Re-Investment	-	-	-	-	-	211,500
Loan Repayment		209,240	209,240	209,240	209,240	209,240
Income Tax		32,778	87,074	174,020	286,766	414,057
Change in Working Capital		83,605	93,698	125,913	33,806	37,726
Total Outflows	1,644,651	325,623	390,012	509,173	529,812	872,523
Net Cashflow	1,644,651	210,879	235,731	330,005	619,162	2,044,670

The Internal Rate of Return (IRR) is 20.24%

Annexure XII

MALALU INVESTMENTS CO. LTD.

Drinking Water Abstraction, Treatment and Packing Project

PAYBACK PERIOD ANALYSIS
(The figures are in T.Shs. "000")

Capital Investment T.Shs. 1,644,651

Years	Profit After Tax	Depreciation	Total	Cumulative	BALANCE
0	0	0	0	0	(1,644,651)
1	64,641	250,767	315,408	315,408	(1,329,243)
2	193,189	194,827	388,016	703,424	(941,227)
3	397,559	154,609	552,168	1,255,592	(389,059)
4	661,840	125,042	786,882	2,042,474	397,823
5	959,819	182,130	1,141,949	3,184,423	1,539,772

The Payback Period is 3 years and 6 months

Annexure XIII

MALALU INVESTMENTS CO. LTD.
Drinking Water Abstraction, Treatment and Packing Project

ANNUAL SALES SCHEDULE
(The figures are in T.Shs. "000")

Sno.	ITEM	T.Shs.
1.	Bottles 0.5 lts 3,500 x 2 shifts x 8 hrs. x 26 days x 12 months = 17,472,000 x 300/=	5,241,600
2.	Bottles 1.0 lts 1,000 x 1 shift x 8 hrs. x 26 days x 12 months = 2,496,000 x 500/=	1,248,000
3.	Bottles 1.5 lts 1,000 x 1 shift x 8 hrs. x 26 days x 12 months = 2,496,000 x 700/=	1,747,200
4.	Bottles 5 lts 1,500 x 1 shift x 8 hrs. x 26 days x 12 months = 3,744,000 x 1,500/=	5,616,000
5.	Bottles 10 lts 2,000 x 1 shift x 8 hrs. x 26 days x 12 months = 4,992,000 x 2,500/=	12,480,000
	TOTAL	26,332,800

Annexure XIV

MALALU INVESTMENTS CO. LTD.*Drinking Water Abstraction, Treatment and Packing Project***SCHEDULE OF FIXED ASSETS AND SOURCE OF FINANCING**

(The figures are in T.Shs. "000")

Sno.	ITEM	EQUITY	FINANCIER
1.	Land & Buildings	283,952	
2.	Motor Vehicles:		
	2 Fusso Trucks @ T.Shs. 25 million	50,000	
	2 Scannia Trailer Trucks @ US.\$ 70,500		211,500
	3 Canter Pick-ups @ T.Shs. 20 million	60,000	
	1 Saloon Car @ T.Shs. 10 million	10,000	
	1 Coaster Mini-bus @ T.Shs. 30 million	30,000	
	Total	150,000	211,500
3.	Equipment & Light Machines:		
	Computers – 7 Nos. US.\$ 4,666	6,999	
	Fork-lift 2 Nos. @ US.\$ 16,000	48,000	
	Generator US.\$ 20,000	30,000	
	Total	84,999	
4.	Plant & Machinery:		
	Water Treatment Plant (<i>10 mts³ per hour</i>) US.\$ 38,942		58,413
	Pet Bottle Production Line 0.5, 1.0 & 1.5 lts US.\$ 69,070		103,605
	HDPE Cap Production Line US.\$ 30,870		46,305
	Bottle Filling & Packing System 0.5 –1.5 lts US.\$ 66,467		99,701
	Bottle Filling & Packing System 3-5 Gallon US.\$ 45,849		68,774
	Bottle Filling & Packing System 5-10 lts US.\$ 27,519		41,279
	Pet Bottle Production Line 5 Gallon US.\$ 22,298		33,447
	Pet Pelletizing Extrusion Production Line US.\$ 42,000		63,000
	Plastic Recycling – Granules US.\$ 28,000		42,000
	Printing Machine (digital) – for Labels US.\$ 90,000		135,000
	Water Pump (Submersible) T.Shs. 12 million	12,000	
	Plastic Recycling machine US.\$ 40,000		60,000
	Electrical Fittings for the machinery US.\$ 25,333		38,000
	Stainless Steel Piping & Fittings US.\$ 30,117.6		45,176
	Total	12,000	834,700
	Furniture:		
	Office	5,000	
	Others	17,500	
	Total	22,500	
	GRAND TOTAL	553,451	1,046,200