

YU CHANG MACHINE AUDITORS

CO LTD

YUNCHANG MACHINE AND TRADING CO.LIMITED

P o box 32080 • Phone: +255652803555 • Fax: [Your Fax]
Web: www.yunchang.com.



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

Dear Sir/Madam

RE: APPLCATON FOR TANZANIA INVESTMENT CENTRE CERTIFICATE.

Reference is made to the above heading

Yun chang machine and trading co. limited would like to apply for Certificate of TIC for registering a new project. Our investment start with 500 million Tsh and at the same time we have committed to improve the local economic and also providing employment to the local individuals.

So, may you kindly help us to take this letter as office consideration, we are here by attach all the documents as it is concerned.

Kind regards,

A handwritten signature in blue ink, appearing to read "Duan Hong Qi".

.....
Director.

DUAN HONG QI



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 DUAN HONGQI
(director/directors/agent of JUN CHANG MACHINE & TRADING CO.
(name of business enterprise) apply for registration of TIC
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT 318, MANDELA
ROAD - DSM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT 318, MANDELA ROAD
4. The Principal Officers of the Company are DUAN HONGQI & WANG AI JING
5. Auditors of the Company are TO BE APPOINTED
6. The authorized share capital of the Company is Tshs./US\$ 500,000



7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs.~~/US\$ 1,517,000

8. The month and day of the financial year end is 31 DEC

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\$

1000 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, DUAN HONG OI of Post Office Number 32080, Dsm

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

authorized agent of YUNCHANG MACHINE & TRADING CO LTD

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

Declared at Dar es Salaam }

The 15 day of APRIL 2013 }


Applicant

Before me:


Commissioner for Oaths



APPLICATION SUMMARY Investment Breakdown

Company Name: YUNCHANG MACHINE & TRADING CO LTD

Certificate of Incorporation Number: 96024 Status: NEW

Certificate of Incorporation Date: 20th DEC 2012

Post Box: 32080

Town: DSM

Sector: MANUFACTURING Sub-Sector: ASSEMBLING OF TRICYCLE & AGRICULTURAL IMPLEMENTS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>817,000</u>	<u>—</u>	<u>700,000</u>	<u>—</u>

Project Objectives: TO ESTABLISH A PROJECT FOR TRICYCLE & AGRICULTURAL IMPLEMENTS ASSEMBLING

Capacity: 4,000 units per year

Employment: Foreign: 8 Local: 21 Total: 27

Implementation Period: 3 yrs

Project Location

Site/Plot/Block No.: PLOT 318

Street: MANDEL ROAD District: _____ Region: DSM

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>DUAN HONGI</u>	<u>CHINESE</u>	<u>90</u>
<u>WANG BI JING</u>	<u>CHINESE</u>	<u>10</u>
.....
.....
.....

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

Land/Building 300,000
Plant 740,000
Vehicles 100,000
Furniture & Fittings 2,000
Pre-expenses 25,000
Others —
Working Capital 350,000
TOTAL 1,517,000

Contact Details:

Name: DUAN HONG QI Title: DIRECTOR

Telephone: +255 65 280 35 55 Fax:

Email:

Payments to be made payable to:

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



Corporate &
Investment Bank

BANKM/CIB/803/2013

27th March 2013

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


Dear Sir / Madam,

RE: YUN CHANG MACHINE & TRADING CO. LTD

This is to certify that YUN CHANG MACHINE & TRADING CO. LTD of Dar es Salaam; is one of our corporate customers. M/s YUN CHANG MACHINE & TRADING CO. LTD maintains both USD and TZS accounts with our bank and their dealing are found to be satisfactory. Kindly note that they are good for their normal commitments.

This certificate/letter is issued at the specific request of the company and without any risk or responsibility on the part of the bank or the officers issuing this letter.

Thanking you,
Yours faithfully,



Authorized Signatory



Authorized Signatory

YUN CHANG MACHINE AND TRADING CO. LTD.



P o box 32080 • Phone: +255652803555 • Fax: [Your Fax]
Web: www.sunshinegroup.com.

EXTRACT MEETING OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF YUN CHANG MACHINE AND TRADING CO.LTD

AT A DULY CONVENED AND CONSTITUTED MEETING OF THE BOARD OF YUN CHANG LTD HELD AT REGISTERED OFFICES OF THE COMPANY IN DAR ES SALAAM REGION ON 20TH OF DEC 2012, THE FOLLOWING RESOLUTIONS WERE PASSED:

1. THAT TSH 500 MILLION WILL BE ALLOCATED TO FINANCE THE SETTING UP PUTTY PROCESS MACHINE FACTORY.
2. THAT MR DUN HONG QI WILL BE MANAGING DIRECTOR TO OVERSEE IMPLEMENTATION OF THE PROJECT INCLUDING IDENTIFYING SUITABLE MACHINERY
3. THAT THE COMPANY BE REGISTERED WITH TANZANIA INVESTMENT CENTRE SO AS TO ENJOY FULLY INVESTMENT INCENTIVES, BENEFITS AND PROTECTION AS STATUTORY PROVIDED FOR UNDER TANZANIA INVESTMENT ACT 1997.

CERTIFIED TRUE EXTRACT

(By order of the Board)


.....
Chairman


.....
secretary

This LEASE AGREEMENT is made this 1 Day of march 2013

BETWEEN

SUNSHINE AUTO ASSEMBLY COMPANY LIMITED, a company incorporated under the laws of the United Republic of Tanzania and having its registered offices within Dar –es salam , whose address is Postal Office Box Number 4490 Dar es Salaam-Tanzania (hereinafter called the “Lesser” which expression shall where the context so admits, include its successors and assign in title) of the one part,

AND

YUNCHANG MACHINE AND TRADING CO.LIMITED, a company incorporated under the laws of the United Republic of Tanzania and having registered offices within Dar es salaam, whose address Postal office Box Number 32080 Dar es salaam –Tanzania(hereinafter called the “Lessee” which expression shall where the context so admits , include its successors and assign in the title) of the other part.

PREAMBLES

- A. **WHEREAS**, the lessor owns the property located on plot no .318 ,Mandela Road, Tabata,Dar-es salam. (here-after referred to as ‘the property),
- B. **AND WHEREAS**, the lessor is desirous of entering into LEASE agreement with the lessee on the said property on the terms and condition her-in-after appearing;

NOW THIS AGREEMENT witnesses as follows:-

1.0 DEFINITIONS

1.1 In this agreement unless the context otherwise provides:-

“Agreement” Means this LEASE Agreement between the lessor and the lessee on the Said property;

“Considerations” Means the amount the consideration of united states dollars
Three Thousand Five hundred (\$3500) per month property rent ONLY;

“ Law” Means the law of the United Republic of Tanzania;

“Lease Period” Means the tenure of this Lease Agreement which is one year;

“ Parties” Means the signatories to this Agreement and or their validly



Certified as a True Copy of the Original

ANDREW MKALI

Notary Public

"Property" Means the demised premises located on Plot No. 318 ,Mandela Road,Tabata,Dar-es salam.

"USD" Means United States Dollars, the currency of the United States of America

1.2 References to the singular include , when the context so admits ,references to plural vice-versa

1.3 Words importing the masculine gender shall include the feminine gender and vice-versa and importing person shall include companies.

2.0 THE PROPERTY AND THE BUSINESS TO BE MANAGED

2.1 The property located on plot no 318 ,Mandela Road ,Tabata, Dar-es salam. (here-in-after referred to as 'the property');

2.2 The property is leased to the lessee for the purpose of the conducting Business for a period Of three years unless otherwise agreed in writing by both parties in this Lease agreement.

3.0 CONSIDERATION AND MODE PAYMENT

In considerations of the Lessee paying a consideration of Three Thousand Five Hundred Dollars only (3500 USD) per month payable six months in advance on date of signing agreement unless otherwise as shall be agreed in writing both parties.

4.0 LESSORS CONVENTANTS

4.1 In the event the business envisages in this agreement fails free of the fault of either the lessor or of the lessee ,the parties hereto shall back and resume their respective position status quo Ante .The Lessor shall retain the property and forfeit the paid up consideration;

4.2 The lessor shall permit the lessee to construct or a fence that appears imperative to secure the business, however prior application and approval in writing shall be required and the costs shall Be agreed in advance;

4.3 The lessee having paid he consideration in the agreed manner and having fulfilled either terms and condition of this Agreement ,the Lessor shall permit the lessee, its agents ,its employees and such person to enjoy quiet possession of the p[roperty in respect of any activity relating to and/ or connected with the operation of the property business;

4.4 The Lessor shall grant the first right of option to purchase the property to the lessee in the event of the Lessor desiring to sell said property;

4.5 The lessor shall remain solely responsible with payment of the regular taxes and any other payments arising from or related to the property as accounted for by Tanzanians Revenue Authority;

4.6 The Lessor shall be responsible for all insurance premiums due to the property

5.0 LESSEE'S CONVENANTS

- 5.1 The lessee shall pay the said consideration in the said consideration manner and those provided by the laws of the United Republic of Tanzania for the success of his business;
- 5.2 The lessee shall apply and obtain necessary permits and licenses from the relevant authorities for operating their activities in the said property and other related business;
- 5.3 Not to sublease, sublet or transfer, in any manner whatsoever, the property, or any part thereof, without the written consent of the lesser to be obtained in their general meeting duly convened however the consent shall not be unreasonably withheld;
- 5.4 The Lessee must take out and maintain adequate insurance cover over all the movable property and any other assets on the property and cover risks over third parties surrounding the property;
- 5.5 The Lessee shall always keep the property in good condition including repainting the property yearly. Upon termination or end of this contract the Lessee shall hand over the property to the Lessor in a clean condition as it were, except for reasonable ware and tear;
- 5.6 The Lessee shall not use the property for any other purpose save for that which has been approved in terms of this agreement and as provided by law of Tanzania. Where wish to use the property for any other reasons purposes than the agreed must seek prior written approval from the Lessor, however an approval shall not be unreasonably withheld;
- 5.7 That all the property, movable and immovable, used in facility would be the property of the Lessee and that the Lessee shall not borrow, rent or lease any immovable property for the purposes of using such facility without the written consent of the Lessor but the consent shall not be unreasonable withheld;

6. UTILITIES

- 6.1 The Lessee shall be solely responsible for payment of electricity, water bills install and use at her own expenses a back-up silent power generator, telecommunication system, security devices and water reservoirs generally the lessee undertake to pay all other bills connected with her business in the property used.

7.0 CESSATION OF THE AGREEMENT

7.1 Notwithstanding the provisions in this agreement, the tenure of this Lease Agreement is unlimited unless otherwise agreed by both parties in writing and reviewed after every ten (10) years. This agreement shall commence from the date of signing;

7.2 At the end of this period, the lessee shall vacate the property and surrender vacant possession of the property to the Lessor as it was given, in a boom clean condition. However, all immovable fixtures of a permanent nature, whose removal may cause damage to the environment, shall devolve to the Lessor on upon lapse of this agreement,

7.3 Either party can terminate this agreement by giving three (3) months written notice.

8.0 ALTERATIONS AND ADDITIONS

8.1 The Lessor here by authorizes the Lessee to build and make any improvements in the said property as may be deemed necessary to suit the business of the Lessee. However prior to written approval from the Lessor for any improvements must be sought and obtained;

8.2 The lessor here by authorizes the Lessee to attach fixtures, signs, insignia and advertisements within the property, provided the same shall not be detrimental to or in consistent with the terms of this Agreement or otherwise infringes the rights of neighboring premises. Such fixtures, signs, insignia and advertisement intended to advance or to boost the purposes for which the property is to be used shall remain the property of the Lessee and may on termination of this Agreement be removed or otherwise sold to the Lessor.

9.0 FORCE MAJEURE

9.1 No Party shall be liable for any failure to perform its obligations where such failure is as a result of Acts of Nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalization, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or telephone service.

9.2 Any Party asserting Force Majeure as an excuse shall have burden of proving that reasonable steps were taken (under the circumstances) to minimize delay or damages caused by foreseeable events, that all non-excused obligations were substantially fulfilled, and that the other Party was timely notified of the likelihood or actual occurrence which would justify such an assertion, so that prudent precautions could be contemplated.

10. ASSIGNABILITY

The Lessee shall not assign, sub-let, or transfer or hand-over the property or part thereof to anybody without the express written consent of the Lessor, however the consent shall not be unreasonably withheld.

11. DISPUTE-SETTLEMENT CLAUSE

Any dispute arising from or in connection with this Agreement shall be settled amicably between the parties therein, failing which the matter will be referred to Arbitration as provided for by the Arbitration Act (Cap 15 of the Laws) or in any Arbitration mode as shall be agreed upon by the parties herein.

12. TERMINATION

- (a) The Lessor shall be entitled to terminate this agreement by giving a three (3) month notice in writing to Lessee, if the latter is incapable of meeting her covenants;
- (b) Likewise the Lessee may terminate this agreement by giving a three (3) months notice in writing to the Lessor, should the latter be incapable of meeting any of her covenants.

13. APPLICABLE LAW

This Agreement is governed by the laws of the United Republic of Tanzania.

IN WITNESS HEREOF, the Parties hereto have executed this Lease Agreement on the date year first herein above written in the following manner.

SEALED with the COMMON SEAL

Of the said SUNSHINE AUTO ASSEMBLY COMPANY LIMITED

SIGNED AND DELIVERED in the presence of us
This Day of, 2013

Name Wang Xin Hua

Signature 王新华

Qualification Managing Director

Postal Address



SEALD with common seal of the said YUN CHANG MACHINE AND TRADING CO.LIMITED

SIGNED and DELIVERED in the presence of us
This day of March 2013

Name DUAN Hong Qi

Signature 段红旗

Qualification Managing Director

Postal Address P.O. Box 38080

YUN CHANG MACHINE AND TRADING CO. LIMITED
P.O. BOX 38080
DABEI, SAALAM



Certified as a True Copy of the Original
Andrew
ANDREW MKALI
Date

TANZANIA



Certificate of Incorporation

Section 15

No 96024

I HEREBY CERTIFY THAT

YUN CHANG MACHINE & TRADING CO.LIMITED

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

Given under my hand at Dar es salaam

this 20TH day of DECEMBER**TWO THOUSAND AND TWELVE.**

A handwritten signature in black ink, appearing to be 'Rajiv'.

Asst. Registrar of Companies

CTIN.1705583

ISO 9001 : 2008 Certified



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

YUN CHANG MACHINE & TRADING CO. LIMITED

.....

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

119-507-170

.....
21-01-2013

with effect from

A handwritten signature in black ink, appearing to read 'P. N. Kassera', is written over a horizontal dashed line.

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

NEW 2013
CI 96024
TFN. 226
(Rev. 2/96)
BOX 32080
DSM



JAMHURI YA MUUNGANO WA TANZANIA

LESENI YA BIASHARA

B 01466564

(Imetolewa chini ya Sheria ya Leseni za Biashara Na. 25 ya Mwaka 1972, marekebisho ya mwaka 1980 na masharti yaliyo nyuma)

*Futa isiyotakiwa.

1. Ofisi iliyotolewa **MINISTRY OF INDUSTRY & TRADE**
2. Nambari ya Ushuru wa mapato **119-507-170**
3. Leseni imetolewa kwa **YUN CHANG MACHINE & TRADING CO. LTD**
kuendesha biashara ya **IMPORT OF AGRICULTURAL MACHINES**
katika Wilaya/Kanda* ya **KINONDONI** Mtaa **DLO BAGAMOYO RD**

4. Ni ya Shina/Tawi*

Ada Sh. _____ Nambari ya Stakabadhi _____
ya tarehe _____

5. Mpya inaendeleza* muda wa leseni Na. _____

ya tarehe _____

(ii) Muda wa leseni hii utaishia 30 Juni, 20 _____

DIRECTOR FOR INTERNAL TRADE

Tarehe **30/01/2013**

Sahihi na Muhuri wa Mtoaji Leseni

GP.DSM

NEW 2013
CI 96024
TFN. 226
(Rev. 2/96)
BOX 32080
DSM



JAMHURI YA MUUNGANO WA TANZANIA

LESENI YA BIASHARA

B 01466565

(Imetolewa chini ya Sheria ya Leseni za Biashara Na. 25 ya Mwaka 1972, marekebisho ya mwaka 1980 na masharti yaliyo nyuma)

*Futa isiyotakiwa.

1. Ofisi iliyotolewa MINISTRY OF INDUSTRY & TRADE

2. Nambari ya Ushuru wa mapato 119 - 507 - 170
YUN CHANG MACHINE & TRADING CO. LTD

3. Leseni imetolewa kwa
kuendesha biashara ya EXPORT OF AGRICULTURAL MACHINES
katika Wilaya/Kanda* ya KINONDONI Mtaa OLD BAGAMOTO
RD.

4. Ni ya Shina/Tawi*

Ada Sh. Nambari ya Stakabadhi.
ya tarehe.

5. Mpya inaendeleza* muda wa leseni Na.
ya tarehe.

(ii) Muda wa leseni hii utaishia 30 Juni 20...

DIRECTOR FOR INTERNAL TRADE

Tarehe 30/01/2013

[Signature]
Sahihi na Muhuri wa Mtoaji Leseni

GP.DSM

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

**MEMORANDUM
AND**

ARTICLES OF ASSOCIATION

OF

**YUN CHANG MACHINE & TRADING CO.
LIMITED**

Incorporated this

day of

2012

**DRAWN BY
DUAN HONGQI
(SUBSCRIBER)
P.O. BOX 32080
DAR ES SALAAM**

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

NO.

I HEREBY CERTIFY THAT

**YUN CHANG MACHINE & TRADING CO.
LIMITED**

Is this day incorporated under the companies Act 2002 and
that the company is Limited

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

Registrar of Companies

TANZANIA

Stamp Duty Shs. 2000/-

PAID ON ORIGINAL

Receipt No. 25624 of 19/12/2012

[Signature]
Stamp Duty Officer

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

YUN CHANG MACHINE & TRADING CO. LIMITED

TANZANIA

Stamp Duty Shs. 2500/-

PAID

Receipt No. 20624 of 19/12/2012

[Signature]
Asst. Registrar of Companies

1. The name of the company is "YUN CHANG MACHINE & TRADING CO. LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:
 - (a) To carry and promote and trade or business of farm and agricultural inputs, implements, tools, e.g. tiràtira, tractors, packaging materials and deal in the livestock and or the veterinary health-care products to farmers and stockists, to buy, sell, supply, distribute whether in retail or wholesale fertilizer, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animals feeds, veterinary drugs and any related goods and import and export agriculture and food technology, industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
 - (b) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, seed growers, glaziers breeders of and dealers of livestock, market gardeners, arboriculturists, agriculturalists, horticulturists, floriculturists, dairymen, vegetable oil extractors, poultry and bee-keepers and any other businesses in connection with floriculture, arboriculture agriculture and horticulture.
 - (c) To carry on the business as general buyers and sellers of agricultural products, such as coffee, tea, cashew nuts, peanuts, beans, cereals, cowpeas, yellow gram, green monks, sesame and to be general suppliers in local and export markets, to be general barbers and confectioners and generally to be traders and manufacturers of the above.
 - (d) To provide agricultural consultations, training, research and advisory services to farmers and livestock keepers through seminars, workshops field visits and farm demonstrations, to engage in vegetables seed production and marketing of horticultural products, to carry on the business of farming, cultivating, planting growing cash and food crops, inter alia, sugar cane, tea, coffee, cocoa, coconut, papaya and pyrethrum.
 - (e) To carry on the business as general merchants, traders, consumers, suppliers, importers, exporters, general merchandise, commission agent, stockists, wholesalers, retailers and dealers in computers, mobile phones, soft drinks, hardware, office furniture, hardware, building materials, cement, timber wood, iron steel, tiles, sand and stone, electrical goods, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, groceries, computers, office equipments, To carry on the business of Supermarket, drinks, cooking oils, salts,

foodstuffs, cosmetics, new, second hand clothes, household, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles, piece goods, all types of leather goods, shoes, bags, and other similar goods., luggage, garments, baby clothes, sugar, bulk drugs, pharma, chemicals and solvent industrial use chemicals.

- (f) To carry the business of importer and exporters, wholesalers, retailers, general merchants, provision store, general store keepers, universal providers, to establish supermarkets, duty free shops, import and export, hardware, manufacture goods, textiles, office equipments, stationery, building materials, home appliances, utensils, piece goods imitation jewellery, hosiery, shoes, sun-glasses, flowers, handbags household requirements generally in all manufactured goods of all type, to acquire, establish, dealers in selling ready made garments and knitwear's, shoes, toys, motor cycles, bicycles, bicycle chairs, computer and its parts, television, mobile phone, vcd, cookers, slippers jeans, and description for commercial and home use.
- (g) To carry on the business of computer networks, sales of computers, consultancy, computer training, graphic, design, internet café computer programming, web sites, database, telecommunication equipment telephones, cellular phones, TV-transmission equipment etc transport automobiles, marine vessels, aircraft, drilling and mining technologies and equipment, and agricultural and diary equipment and all types of computer networks and related networks activities.
- (h) To install operate, maintain and exploit public telecom system and to carry on business as sellers, buyers, importers, exporters, distributors and dealers in all kinds of mobile telephone, internet, telecommunication equipment, material, telecom towers, apparatus and accessories relating to telecommunication, and to install, repair, maintain, service and generally deal in such equipment; and dealers generally in products or equipment relating to cellular telephone systems, telecommunication visual communication, paging, voice feed back automatic lettering, including all apparatus, accessories, appliance and things used in connection therewith belong to the company or procured by the company or belonging to the customers of the company.
- (i) To carry on the business of International trade, general merchandise, importers, exporters, distributors, general store-keepers, universal providers, wholesale and/or retail traders, dealers of hardware, piece wood, paints, glassware, scrap metal, 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, beers, 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.
- (j) To carry on the business of International trade, general merchandise, importers, exporters, distributors, general store-keepers, universal providers, wholesale and/or retail traders, dealers of hardware, piece wood, paints, glassware, scrap metal, 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, beers, 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. To carry on the



business of timber and sawmill proprietors, tree fellers, woodworkers, joiners, carpenters, wood and timber merchants, woodwork contractors, and to buy, sell, mine, prepare for market, import, export and deal in minerals, tree logs, hardboards, soft boards, building materials, hardwares, oil, paints, varnishes and generally to deal in articles of all kinds in the manufacturers of which timber or wood is used.

- (k) To carry on the business of clearing and forwarding agents, commission agents, logistics, customer agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, court brokers, Insurance and assurance, insurance broker, Management, stock exchange and stock exchange brokers, shipping agents, cargo and travel agents, road, water agents, airport handling, haulers, courier services, insurance agents, tourist agents, manufacturers' representatives, road contractors, 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 means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or place, as 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 and related transactions whatsoever.
- (l) To survey, build, construct, alter, improve, enlarge, repair, maintain, develop, demolish, remove or replace and to work, manage, carry out or control works of all descriptions, decoration, including but not limited to offices, residential, commercial building developments, parks, factories, mills, warehouse, shops, stores, garages and other buildings, roads, dams, machinery and plants, which may, in the opinion of the directors of the Company, be likely to advance directly or indirectly the Company's interests; to clear sites for the same, to contribute to, subsidies or otherwise assist in the building, construction, alteration, repair, improve, enlargement, maintenance, development, demolition, removal, replacement, working, management, carrying out or control. To be professional services contractors, fumigation agents, renovators.
- (m) To engage and carry on the mechanical works, constructions, demolition, recreation, civil engineering, general works, buildings, road renovations, canals, water courses, irrigation mediation sewage, drainage and other sanitary works, office practitioners, decoratories, cleaning premises, streets, road, fumigation, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers.
- (n) To carry on and deal in the business mining, gold, Gemstones, Goldsmith, exporters of Gold and Gemstones, processors and manufacturers of Jewelers, gold product, polishers and cutter of Diamonds and Gemstones and other Jewelleries. To search for, prospect, win, get, quarry, mine, crush, work, preshape, facet, polish or otherwise prepare for marketing precious sand semi-precious stones including diamonds, gemstones, Tanzanite's and valuable and base minerals and metal and mineral substitutes of all kinds including aluminum, manganese and petroleum and to buy, sell, market, import, export, and deal in the same and to carry on any other operations which may seem conducive to any of the Company's objects

- (o) To engage and or carry on the business of constructions, civil engineering, general works, buildings, road renovations, office practitioners, decoratories, cleaning premises, streets, road, fumigation, maintainers of dilapidated buildings, equipment hiring, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers.
- (p) To engage in and or otherwise carry on the business of sanitary services, super cleaners, removal treatment of, and or garbage collectors, sewage, and drainage system contractors, rural, urban and community centers, super cleaners, offices, gardening, removal treatment contractors, landscaper to be professional sanitary services contractors, fumigation agents, renovators, general maintenance and decorators, garden keeper, decorations, promoters of health service in industries, governmental departments, offices, companies, public or private institutions, individuals and any other organizations all over the world. To carry on the business of town cleaning, education on hygiene, importation of all cleaning facilities, equipments and chemicals.
- (q) To acquire, take over, research, consultancy promote, research, establish, engage in and carry on the business of professional farmers, planters, harvesters, sprayers, growers, sellers, buyers, general merchandise and commodities, sugar cane, instant coffee, raw coffee, cotton oil, sunflower, rue mill, maize, cocoa, green peas, foods and cash crops, tea, rice, beans, wheat, tobacco, leather products leather goods, glaziers, breeders of and dealers in livestock, market gardeners, aboriculturists, agriculturists, aquaculture, horticulturists and dairymen, vegetable oils extracts, poultry and beekeepers, and any other trade or businesses in connection with floriculture, arboriculture, agriculture or horticulture.
- (r) To carry on otherwise engage in the business of professional consultant, manufacture, selling pharmaceuticals, medical equipments, laboratory equipments, organize market survey into the supply of medicines equipments, surgical instruments and any type of equipment which may be used to enhance the foregoing objects. To carry the business of maintaining diagnostic laboratories, Diagnostic kits.
- (s) To engage in and or otherwise carry on the business of professional health cares, super health practitioners and general consultants in health administration, promoters of safety measurers, importers, suppliers, distributors, wholesalers, retailers, and suppliers of bulky and/or specific human and animal medicines, to own and run pharmaceutical industries and act as representatives for manufacturers of all types of Medicare products, cosmetics, Hospital chemicals, equipment and utilities, own and run Hospitals. Medical colleges and Tropical disease research centers, develop and produce all types of human and animal medicines using naturally raw materials, chemicals.
- (t) To carry on the business o, tax collection, revenue collection, customs collection house rent collection, entertainment tax collection, development tax collection, M-Pesa, Tigo Pesa and other tax for any person, firm or company and to undertake and perform subcontractor and to act in any of the finance collection of a company through or by means of agents, brokers, auctioneers, sub-contactors or any other financed collection.
- (u) To arrange before hand and organize for tourists, budget and luxury camping safaris, hotel, lodge safaris, Road safaris and excursions, ticketing, Airlines and charters, game hunting, fishing ornithological and other safaris and expeditions of all kinds, mountain

climbing, walking safaris, photographic safaris, car hire and cultural tourism, to establish, maintain and operate aircraft services of all kinds to carry on the business of carriers by air or otherwise of passengers, mail goods merchandise and valuable of all kinds, to engage in aerial survey photography and mapping and aerial advertising and to enter into contracts with any person, corporation or government as to the interchange of traffic the carriage of goods and passengers or for any other purpose advantageous to the Company.

- (v) To collect and recover loans due to microfinance, co-operative, corporations, companies, public enterprises, parastatals, individuals and to collect employees payments in respect of their claims accruing from salaries, general insurance, pension, NPF, PPF, and any other employee payments. To provide security services and assistance in the printing of security document, civil process serve's loss assessors, possessors, private investigation, property and estate agents commission agents and general security services activities.
- (w) To buy, sell, import, produce, manufacture and deal in food and food products, meat, fish, groceries, fruits, confectionery, grain millers and padres, other beverages, whether alcoholic or not, tobacco, chemists and druggists suppliers, linen, furniture, furnishings and other articles required by visitors to the company's premises and others.
- (x) To deal in all aspects of Real Estate, Estate development including buying, constructing, selling, mortgaging, renting, transferring and any other form of conveyance of real estate.
- (y) To carry on the business of International trade, general merchandise, importers, exporters, distributors, general store-keepers, universal providers, wholesale and/or retail traders, dealers of hardware, piece wood, paints, glassware, scrap metal, 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, beers, 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.
- (z) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (aa) To carry out the business of proprietors and managers of hotels, snacks, night club, restaurant, lodges marquees, bar, cafes, road houses, motels, hotel management, 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, also to provide variety of services and products to guest, tourist and hoteliers related to.

- (bb) To engage in and or otherwise carry on the business of professional hardware dealers, super traders, agents, manufacturers, buyers, sellers, distributors, suppliers, importers, exporters of building materials, decoration materials, domestic and industrial goods, agricultural and or farm implements, electrical and electronic appliances, apparatus and tools, sanitary and cleaning material, toiletry items, all businesses and trades incidental analogous, similar thereto, required to be or capable of being carried on in conjunction therewith.
- (cc) To carry on the business of fumigators, vacuum cleaners, steam cleaners, carpet cleaners, window shop, officer, club hotel, theatre cleaners vermin and insects destroyers and generally to undertake cleaning and fumigation of any kind.
- (dd) To carry on Fire Fighting equipments and general technical services, fumigation, auto-control, systems, and general supplies, importers, exporters, general merchants, general store-keepers, universal, wholesale and retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, piece wood, glassware, cookery, cutlery, turners and other household fittings, and requirements, other articles, textiles, medicine, drugs, wines, spirits, liquors, photographic apparatus.
- (ee) To arrange before hand and organize for Airline solutions to hospitality, Airline and charters, hotel reservation, boats ferry travel, tourists, budget and luxury camping safaris, lodge safaris, Road safaris and excursions, ticketing, bird watching, wildlife tourism, cultural tourism, game hunting, fishing ornithological and other safaris and expeditions of all kinds.
- (ff) To carry on the business of dealers, buyers, processors, exporters and importers of minerals, including diamond, Gemstones and gold, to engage in cutting and polishing, gems and any other types of gems or precious tones and to do any kind of business relating to minerals, and to own and run jewelers shops. To carry on the business of mining, mineral exploration, and deal in minerals as miners, buyers, processors
- (gg) To carry on the business of timber and sawmill proprietors, tree fellers, woodworkers, joiners, carpenters, wood and timber merchants, woodwork contractors, and to buy, sell, mine, prepare for market, import, export and del in minerals, tree logs, hardboards, soft boards, building materials, hardwares, oil, paints, varnishes and generally to deal in articles of all kinds in the manufacturers of which timber or wood is used.
- (hh) To carry on the business of garage proprietor, repair, cleaner, stone and warehouse of all kinds of vehicles, machinery, equipment and plant, whether move y mechanical power or not, fuel for internal combustions engines, lubricants, batteries, wheel balance and accessories and all things capable of being used in connection with the said business or in manufacturer or maintenance of such vehicles, machinery equipment and plant.
- (ii) To carry on the business as commission agents motor cars, trucks, cabs, omnibus, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any

other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company.

- (jj) To carry the business of electricians, mechanical engineers and manufacturer, workers and dealers in electrical apparatus and goods and manufacturer or hire or apparatus or goods in which the application of electricity or any kind of power, or any power that can be used in substitute therefore, is or may be useful, convenient or ornamental, or any other business of a like nature.
- (kk) To carry on the business of manufacturers importers, exporters and dealers in (whether or retail) all kinds of plastic wares for domestic, office, Industrial use or otherwise plastic component and appliances, medical, chemical preparation articles and compounds and manufacture, import, sell dyes cosmetics, soap, washes, pomades, paints, pigments, oils, spirits, distempers varnishes, resins, synthetic and manmade materials and fabrics of whatsoever nature and deal in all articles, substances and things commonly or conveniently used in or for making up, preparing or packing any products in which the company is authorized to deal with which may be required by the customers or persons having dealing with the company
- (ll) To carry on the business of fumigators, vacuum cleaners, steam cleaners, carpet cleaners, window shop, officer, club hotel, theatre cleaners vermin and insects destroyers and generally to undertake cleaning and fumigation of any kind.
- (mm) To engage in the importation of office equipments, typewriters, photocopying machines, electrical equipments, calculators and other office machines as the Company may think fit.
- (nn) To do all kinds of business relating to information and communication technology and to act as consultants, carry on business as managers or advisors in information management, data processing, applications development, computerized systems development, data telecommunication and networks technology and those purposes to promote, arrange, organize, conduct and facilitate information and communication technology in Tanzania elsewhere; and to promote, arrange facilitate and operate information technology activities in all its diverse areas and all such facilities advantages and conveniences as may be considered necessary or incidental thereto. To do activities as development of customer-made and instructional software, educational, managerial and control software products for small, medium and large clients.
- (oo) To carry on the business of manufacturing, selling, marketing, packing, dealing or otherwise in various garments and textiles, clothing materials, all types of men's ladies and children wear and dresses including trousers, pullovers, shirts, sweaters, blouses, jerseys, brassieres, vests, pants, swimming customs, skirts, shorts, tie and dye and like other garments, raw materials, carpets, knit good, Lace and piece goods, accessories and fitting for these products.
- (pp) To carry of the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockists and dealers in all types of garments, new and second hand

clothing, Mitumba, tents, textiles material, tie and dye, boutique, belts, shoes, caps, bags, dresses of all types and description whatsoever.

- (qq) To carry on business as auctioneers, rent collectors, courts brokers, City/Municipal/District access, levy and/or rates collectors, or otherwise deal and general undertake any business, work or transaction usually undertaken by auctioneers, commission agents and collectors.
- (rr) To engage in and or otherwise carry on the business of professional hardware dealers, super traders, agents, manufacturers, buyers, sellers, distributors, suppliers, importers, exporters, decoration materials, domestic and industrial goods, agricultural and or farm implements, electrical and electronic appliances, apparatus and tools, sanitary and cleaning materials, toiletry items, all businesses and trades incidental analogous, similar thereto, required to be or capable of being carried on in conjunction therewith..
- (ss) To carry on the business of, to buy, sell, manufacture, and deal in all kinds of unguents and ingredients, to carry on business of selling candles and perfumes, collectors of flowers and perfume producing vegetation.
- (tt) To carry on business of assembling and distribution of all type of electrical products, apparatus, electrical appliances, office equipment, computers and word processors hardware and other software connected with the Computer Industry and also the sale and maintenance thereof.
- (uu) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (vv) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (ww) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (xx) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (yy) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (zz) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (aaa) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.

- (bbb) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (tt) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (uu) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them

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 generis with any particular word or words in the same paragraph.

AND it is hereby declare that the word "Company" in this clause , except where used in reference of this Company , shall be deemed to include any partnership or other body of persons, whether incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects set forth in any sub-clause or by the same of the company. None of such sub-clause or the objects herein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause.

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 500,000,000/= divided into 1,000 shares of Shillings 10,000/= each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company

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

Names, Addresses, and Description of Subscribers	Number of shares taken by each Subscriber	Signature
DUAN HONGQI P.O.BOX 32080 DAR ES SALAAM	900	段红旗
WANG AI JING P.O. BOX 345 DAR ES SALAAM	100	王爱晶


Dated at D'salaam this 19 day of Dec 2012.

Witness to the above signatures

Name : Andrew Mkali
 Signature : [Handwritten Signature]
 Postal Address : P.O. box 32080
 Qualification : Advocate



TANZANIA
Stamp Duty Shs. 2000/-
PAID ON ORIGINAL
Receipt No. 30624 of 19/12/2012


Stamp Duty Officer

THE COMPANIES ACT-NO. 12 OF 2002
PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

YUN CHANG MACHINE & TRADING CO. LIMITED

TANZANIA
Stamp Duty Shs. 2000/- Paid
Receipt No. 30624 of 19/12/2012

Asst. Registrar of Companies

1. In these articles:-

"the Act" means the Companies Act;

"the articles" means the act of the company;

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

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

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

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

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

MEMBERS

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

GENERAL MEETINGS

4. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation; it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the directors shall appoint.

5. All general meetings other than annual general meetings shall be called extraordinary general meetings.
6. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

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

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

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

PROCEEDINGS AT GENERAL MEETINGS

9. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
10. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to

vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation, shall be a quorum.

11. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
12. The Chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their number to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
13. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be a chairman of the meeting.
14. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
15. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands demand:-
 - (a) by the chairman; or
 - (b) by at least (three) members present in person or by proxy; or
 - (c) by any member or members present in person or by proxy and representing not less than one – tenth of the total voting rights of all the members having the right to vote at the meeting.

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

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

16. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.
17. In the case of an equality of votes, whether on a shoe of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
18. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.
19. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

VOTE OF MEMBERS

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

26. An instrument appointing a proxy shall be in the following form or a form as near hereto as circumstances admit:-

"..... Limited
I/We of, being a member/ members
of the above - named company, hereby appoint
, of or failing him of, as my/our proxy to vote
for
me/us on my/or behalf at the {annual or extraordinary, as the case maybe} general
meeting of the
company to be held on theday of200....., and at any
adjournment thereof.
Signed this day of,200"

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

"..... Limited.
I/We of Being a member/members of the above named
company, hereby appoint of of or failing
him of, as my/our proxy to vote for me/us on my/our behalf at
the {annual or extraordinary, as the case may be} general meeting of the company to
be held on theday of200....., and at any adjournment
thereof.
Signed thisday of200"

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

*Strike out which ever is not desire"

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

CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

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

DIRECTORS

31. The Number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two.

1. DUAN HONGQI
2. WANG AI JING

32. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

BORROWING POWERS

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

POWERS AND DUTIES OF DIRECTORS

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

directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.

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

SECRETARY

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

THE SEAL

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

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

54. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
55. No number shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directories or by ordinary resolution of the company.
56. The directors shall from time to time in accordance with sections 153,155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
57. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting

AUDIT

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

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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each subscriber	Signature
DUAN HONGQI P.O. BOX 32080 DAR ES SALAAM	900	段红旗
WANG AI JING P.O. BOX 345 SUMBAWANGA	100	王爱晶

Date at Dar es Salaam this 19 day Dec 2012

Witness to the above signatures

Name : Andrew Mkali
 Signature : [Signature]
 Postal Address : P.O. box 32080
 Qualification : Advocate



YUNCHANG MACHINE AND TRADING CO LTD PROJECTED INCOME & EXPENDITURE STATEMENT

" US \$

	1	2	3	4	5	6	7	8
Revenue	840,000.00	907,200.00	979,776.00	1,058,158.08	1,142,810.73	1,234,235.58	1,332,974.43	1,439,612.39
Cost of Raw material	310,800.00	335,664.00	362,517.12	391,518.49	422,839.97	456,667.17	493,200.54	532,656.58
Cost of Goods Sold	529,200.00	571,536.00	617,258.88	666,639.59	719,970.76	777,568.42	839,773.89	906,955.80
Operating Expenses:								
Fuel and lubricants	24,000.00	25,440.00	26,966.40	28,584.38	30,299.45	32,117.41	34,044.46	36,087.13
Utility	12,000.00	12,600.00	13,230.00	13,891.50	14,586.08	15,315.38	16,081.15	16,885.21
Electricity	24,000.00	25,200.00	26,472.00	27,820.32	29,249.54	30,764.51	32,370.36	34,072.61
Donation	8,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Salary and Wages	90,000.00	94,500.00	99,225.00	104,186.25	109,395.56	114,865.34	120,608.61	126,639.04
Insurance	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Maintenance	20,000.00	22,000.00	24,200.00	26,620.00	29,282.00	32,210.20	35,431.22	38,974.34
Communication	10,000.00	10,500.00	11,025.00	11,576.25	12,155.06	12,762.82	13,400.96	14,071.00
Total Expenses	208,000.00	215,240.00	226,118.40	237,678.70	249,967.69	263,035.66	276,936.77	291,729.32
Profit before Interest and Depreciation	321,200.00	691,960.00	753,657.60	820,479.38	892,843.04	971,199.92	1,056,037.66	1,147,883.07
Interest on loan	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00		
Depreciation	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00
Profit before Tax	138,000.00	508,760.00	570,457.60	637,279.38	709,643.04	787,999.92	956,837.66	1,048,683.07
Tax (30%)	41,400.00	152,628.00	171,137.28	191,183.81	212,892.91	236,399.98	287,051.30	314,604.92
Profit After Tax	96,600.00	356,132.00	399,320.32	446,095.56	496,750.13	551,599.95	669,786.36	734,078.15
Accumulated Profit	96,600.00	452,732.00	852,052.32	1,298,147.88	1,794,898.01	2,346,497.96	3,016,284.32	3,750,362.46

YUNCHANG MACHINE AND TRADING CO LTD PROJECTED CASH FLOW US\$

	0	1	2	3	4	5	6	7	8
SOURCES:									
Profit before interest and depreciation	0	321,200.00	691,960.00	753,657.00	820,479.00	892,843.00	971,199.00	1,056,037.00	1,147,883.00
Loan	700,000.00								
Equity	817,000.00	-	-	-	-	-	-	-	-
Total Sources	1,517,000.00	321,200.00	691,960.00	753,657.00	820,479.00	892,843.00	971,199.00	1,056,037.00	1,147,883.00
Applications:									
Capital expenditure	1,142,000.00	-	-	-	-	-	-	-	-
working Capital and others	375,000.00	-	-	-	-	-	-	-	-
Cash	0	79,134.00	338,666.00	381,854.00	66,822.00	479,285.00	534,134.00	768,956.00	833,279.00
Tax	-	41,400.00	152,628.00	171,137.00	191,183.00	212,892.00	236,399.00	287,081.00	314,604.00
Sub total	1,517,000.00	120,534.00	491,294.00	552,991.00	258,005.00	692,177.00	770,533.00	1,056,037.00	1,147,883.00
Debt service									
Interest	-	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	84,000.00	-	-
Principal	-	116,666.00	116,666.00	116,666.00	116,666.00	116,666.00	116,666.00	-	-
Total debt service	-	200,666.00	200,666.00	200,666.00	200,666.00	200,666.00	200,666.00	-	-
Total applications	1,517,000.00	321,200.00	691,960.00	753,657.00	458,671.00	892,843.00	971,199.00	1,056,037.00	1,147,883.00
Accumulated cash		79,134.00	417,800.00	799,654.00	866,476.00	1,345,761.00	1,879,895.00	2,648,851.00	3,482,130.00
Necessary working capital	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00

YUNCHANG MACHINE AND TRADING CO LTD PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5	6	7	8
Fixed Assets									
Opening balance	-	1,142,000.00	1,042,800.00	943,600.00	844,400.00	745,200.00	640,000.00	546,800.00	447,600.00
Additions	1,142,000.00	0	0	0	0	0	0	0	0
Total Long-term Assets	1,142,000.00	1,142,000.00	1,042,800.00	943,600.00	844,400.00	745,200.00	640,000.00	546,800.00	447,600.00
Less depreciation	-	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00	99,200.00
Closing balance	1,142,000.00	1,042,800.00	943,600.00	844,400.00	745,200.00	646,000.00	540,800.00	447,600.00	348,400.00
Debtors	-	-	-	-	-	-	-	-	-
Working capital	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00	375,000.00
Accumulated cash	-	79,134.00	417,800.00	799,654.00	866,496.00	1,345,761.00	1,879,895.00	2,648,851.00	3,482,130.00
Total assets	1,517,000.00	1,496,934.00	1,736,400.00	2,019,054.00	1,986,696.00	2,366,761.00	2,795,695.00	3,471,451.00	4,205,530.00
Financed by									
Equity	817,000.00	817,000.00	817,000.00	817,000.00	817,000.00	817,000.00	817,000.00	817,000.00	817,000.00
Profit	-	96,600.00	356,132.00	399,220.00	446,085.00	2,297,255.00	2,904,014.00	3,569,043.00	4,296,972.00
Total equity	817,000.00	913,600.00	1,173,132.00	1,216,220.00	1,263,085.00	3,114,255.00	3,721,014.00	4,386,043.00	5,113,972.00
Long term loan	700,000.00	583,334.00	466,668.00	350,002.00	116,670.00	-	-	-	-
Creditors	-	-	-	-	-	-	-	-	-
Total debts	700,000.00	583,334.00	466,668.00	350,002.00					
Total equity and debts	1,517,000.00	1,496,934.00	1,639,800.00	1,566,222.00	1,263,085.00	3,114,255.00	3,721,014.00	4,386,043.00	5,113,972.00

PROJECTED LONG TERM LOAN REPAYMENT

Repayments US\$				
Year	principle	Loan Interest (12%)	Total Amount Paid	Loan Balance
0				700,000
1	116,666	84,000	200,666	583,334
2	116,666	84,000	200,666	466,668
3	116,666	84,000	200,666	350,002
4	116,666	84,000	200,666	233,336
5	116,666	84,000	200,666	116,670
6	116,666	84,000	200,666	4
TOTAL	699,996	504,000	1,203,996	

APPENDIX V

COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	300,000.00
Machinery & Equipment	740,000.00
Motor Vehicles	100,000.00
Furniture & Fittings	2,000.00
Pre exp	25,000.00
Working Capital	350,000.00
TOTAL	1,517,000.00

APPENDIX VI

FIXED ASSETS SCHEDULE (US\$)

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	300,000	285,000	270,000	255,000	240,000	225,000	210,000	195,000
Machinery, Tools & Equipment	740,000	666,000	592,000	518,000	444,000	370,000	296,000	222,000
Motor Vehicles	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000
Furniture & Fixtures	2,000	1,800	1,600	1,400	1,200	1,000	800	600
Total	1,142,000	1,042,800	943,600	844,400	745,200	646,000	546,800	447,600
DEPRECIATION	2011 USD	2012 USD	2013 USD	2014 USD	2015USD	2013 USD	2014 USD	2015USD
Land and buildings	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Machinery tools & Equipment	74,000	74,000	74,000	74,000	74,000	74,000	74,000	74,000
Motor Vehicles	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Furniture & Fixtures	200	200	200	200	200	200	200	200
ANNUAL DEPRECIATION	99,200	99,200	99,200	99,200	99,200	99,200	99,200	99,200
CLOSING FIXED ASSETS	1,042,800	943,600	844,400	745,200	646,000	546,800	447,600	348,400

VI

YUNCHANG MACHINE AND TRADING LIMITED

BUSINESS PLAN
FOR
TRICLES AND AGRICULTURAL IMPLEMENTS ASSEMBLING PLANT

1.0 EXECUTIVE SUMMARY

YUNCHANG MACHINE AND TRADING CO LTD is referred to as a company that is a locally registered company with a Certificate of Incorporation No. 96024 dated 20th December 2012. The directors of this company are two Chinese with vast international business experiences in assembling projects.

Through the years of research and innovation, the company shareholders have obviously created an advantage in the market network, product, technology and cost and established a unique enterprise culture. Having operated in China for many years the shareholders are ready to establish physical presence in Tanzania by establishing an assembling plant.

Shareholders have registered a new company in Tanzania and will work together with another very successful Chinese company in automobile industry in China.

1.1 The Project

YUNCHANG MACHINE AND TRADING CO LTD sets out a proposal for investment in the establishment of a SKD motorcycles assembling plant in Tanzania to be located at Plot No. 318, Mandela Road in Dar es Salaam. The company will import machinery, equipments and other facilities from China to facilitate establishment of the proposed project in the country. Depending on the market consumption rate, initial assembling capacity is proposed to be total units 4000 per year; this

capacity will increase gradually reaching 3000 units per year in the fifth year.

This project will make available quality products that will be used for transportation of goods, people and agricultural implements

The macro objectives of establishing the project is to support economic, social and administrative activities in Tanzania and neighboring countries. Also,

1.2 The Project Promoters

The project is being promoted YUNCHANG MACHINE AND TRADING CO LTD, a newly registered company in Tanzania whose shareholders are as follows:

S/N	NAME OF SHAREHOLDERS	PERCENTAGE OF OWNERSHIP	NATIONALITY
1	DUAN HONGOI	90	CHINESE
2	WANG AI JING	10	CHINESE

1.3 The Market

The Economic reforms which were undertaken in the economy from the mid 1980s increased the demand for transportation facilities for domestic and transit cargo. The following are some

of the factors that contributed to such an increase in demand for these services in the country.

- Increased transit trade between Tanzania and its neighbors especially Uganda, Rwanda, Malawi, Burundi, and the Democratic Republic of Congo.
- Increased level of rehabilitation and expansion of urban and truck roads by the Government and International assistance agencies which have subsequently resulted in increased kilometers of passable roads by small and heavy-duty vehicles.
- Rise in people's standard of living and change in people's consumption patterns;
- General improvement in the national economy, especially the balance of payment which has made it possible for the Government to achieve greater capability to import critical products into the country;
- Increase general level of investments in industrial activities which are the major users of industrial inputs;

These factors have lead to increase demand for transportation services for products in and outside the country and taking to consideration of kilimo kwanza initiative, the need for agricultural implements need not to be emphasized. Furthermore, these factors have created the impetus for increased inflow of investment capital by foreign and local private investors who have in large umbers decided to establish cargo transportation project.

The reforms, which were introduced in the sector, aimed at influencing the inflow of and increased supply of both capital goods and other industrial products and their distribution in the country and beyond the national border. Tanzania therefore has a potential market for motorcycles. But most of motorcycles are imported from outside the country making them very expensive to be afforded by most Tanzania. Furthermore Importation have to go through a difficult and bureaucratic clearance procedures at the port. It is on this background that **YUNCHANG MACHINE AND TRADING CO LTD** wishes to establish assembling plant in the country in order to make available cheap, quality and stress free. The company targets both domestic and export market particularly the East African market

2.0 THE PROJECT

2.1 Project Description

YUNCHANG MACHINE AND TRADING CO LTD sets out a proposal for Investment in the establishment of a SKD assembling plant in Tanzania

Specific requirements for the project includes but not limited to;

- Mobilization of financial and Human resources for the project
- Acquisition and or construction of large Industrial premises for assembling processes and a yard for keeping and display the finished products

- Acquisition of complete assembling machinery and Equipment from china
- Procurement of office equipment namely: telephones, facsimile machine, personal computers, air conditioners and installation of local area network at head company's head office
- To import Semi knocked down (SKD) parts from china

2.3 Project Location

The proposed project will be located at **Plot No. 318, Mandela Road**, Ilala District, Dar es Salaam Region. The company has rented a factory premise big enough to accommodate complete assembling machinery and Equipment together with a yard for keeping and display of finished products

2.4 Marketing Strategies

The company target is to be a world well-known heavy duty truck manufacturer proving customers with cleaner, energy-saving, safer and comforter transportation motorcycles. In order to realize this target the company insist on carrying out four strategies namely; Internationalization, technology ahead, high quality and low cost and regionalization to realize the internalization of products, market capital, mechanism, brand and talent and establish an international sustainable company with self-motivation, capability and core competitiveness.

2.5 SKD Assembling Process

- Set the two main assembly lines, an interior assembly, final assembly and installation assembly line; interior by plate transmission line assembly, chassis and final assembly line preceding use of land towline conveyor, later adopted tow-plate conveyor.
- With advanced technology and by function modular assembly principles set production line, using dashboards, doors, bumper, engine and front suspension, rear suspension first-packing, then the cable to reduce the main line of labour, there will be mainline working hours drop to a minimum to make use of the mainline working digits
- After the painting, the tricycle is pushed back to the ground manpower vehicle body lines by hanging lifting; interior body assembled to end with their own lifting equipment hoist assembly area
- Packed boxes by hanging hoisting installation
- Brake fluid, air-conditioning hoisting installation
- Brake fluid, air-conditioning fluid filling the vacuum cycle using quantitative methods

2.5.1 Simple process

3.0 MANUFACTURING SECTORS IN TANZANIA

Information provided under this section is obtained from the economic survey of 2009

Sector Growth

The growth rate of manufacturing activities was 9.9 percent in 2008 compared to 8.7 percent in 2007. The growth was attributed to increase in industrial production of food and milk; chemical and printing, and increased production of goods for export. The contribution of manufacturing activities to the Gross Domestic Product (GDP) increased to 9.4 percent in 2008 from 9.2 percent in 2007

Small Enterprises

In 2008, sensitization and dissemination of 19 new technologies to small enterprises was carried out, and led to manufacturing of 118 machines and 1,780 spare parts. The technologies disseminated to owners of small enterprises among others included: food processing; reduction of consumption trees and woods products for energy; packaging of processed foods; production of construction materials particularly bricks; manufacturing of lime and chalk; grinding of cooking oil from palm tree and manufacturing of soap and skin and hide processing.

In 2008, advisory services related to business development and production activities were provided to a total of 6,139 entrepreneurs. Likewise, 770 entrepreneurs were provided training in the following areas: processing of skin; chalk,

cashew nuts, animal foods, bamboo, pottery and processing and preservation of foods. Out of those, 73 entrepreneurs were trained on food processing and 178 skin processing. Training on skin processing was undertaken in regions of Mar, Mwanza, Shinyanga, Tabora, Singida, Manyara, Arusha, Kagera and Morogoro. In addition, a total of six entrepreneurs' exhibitions were

Undertaken in 2008 whereby 1,269 entrepreneurs displayed and sell products worth shs 528 million. Likewise, 1,854 entrepreneurs obtained loans worth shs 1.2 billion providing a total of 3,669 new employments

Production Cost

The cost of manufacturing production increased to shs 1,747,229 million in 2008 from shs 1,712,247 million in 2007, , equivalent to an increase of 2.0 percent. The increase was due to rise in the cost of production particularly fuel.

Production in Selected Industries

Generally, production in selected industries declined in 2008. The decline was due to rise in production cost, and suspension of production in steel; textile; and skin and hide industries.

In 2008, production of corrugated iron sheets decreased from 36,492 tons to 31,743 tons in 2007, equivalent to a decrease of 13 percent. Production of steel and steel products decreased from 52,163 tons in 2007 to 39,969 tons in 2008, equivalent to a decrease of 23.4 percent. Production of sisal

ropes declined from 7,783 tons in 2007 to 7,012 in 2008, equivalent to a decrease of 9.9 percent. Production of sisal declined from 1,630 million tons in 2007 to 1,756 million tons in 2008, equivalent to an increase of 7.7 percent.

Production of wheat flour decreased from 406,336 tons in 2007 to 287,925 tons in 2008, equivalent to a decline of 29.1 percent. However, production of biscuits and spaghetti increased from 11,273 tons in 2007 to 15,435 tons in 2008, equivalent to an increase of 36.9 percent.

Production of beer declined from 310,194 million litres in 2007 to 291,178 million litres in 2008, equivalent to a decrease of 6.1 percent. Production of Kibuku brew declined from 10,320 million litres in 2007 to 10,235 million litres in 2008.

Equivalent to a decrease of 0.8 percent. Production of Konyagi declined from 5,622 million litres in 2007 to 4,049 million litres in 2008, equivalent to a decrease of 28 percent. However, production of cigarette increased from 5,821 million in 2007 to 6,101 million in 2008, equivalent to an increase of 4.8 percent.

4.0 MANAGEMENT AND ORGANIZATION STRUCTURE

4.1 Management

The company policy is to have adequate manpower to manage its operations efficiently.

YUNCHANG MACHINE AND TRADING CO LTD believes in keeping on board only the very essential manpower strength, to develop them into highly motivated and sincere company team for the best and efficient operations of the company.

The company will have a team of qualified and experienced functional staffs in the areas of Operations, Marketing, and Finance & Administration.

4.2 Management Policy

The day to day operations will be managed by the General Manger, to be assisted by production Engineers who will be in charge of truck assembling operations. The Company will employ other professionally in the areas of marketing, Finance, Human Resources, logistics and supplies and others for smooth Implementation of the project

The General Manager will manage the company under the policy guidance of the Board of Directors

4.3 Organizational Structure

It is proposed that the company's operations be headed by the General Manger under who will assist the Production Engineer and other professional in the areas of Marketing, Finance, Human Resources, Logistics and Supplies, The General Manager will be functionally responsible for achieving the Business plan prepared every after five year. He will also be responsible for the entire function fot the company subject to policy guidance set. The Marketing officers will be responsible for both the domestic and export sales and marketing. The job

responsibilities will include market planning and development, sales promotion and sales co-ordination.

4.4 Manpower Requirement and Emoluments

The estimated manpower requirement for the project is 25 people including 5 Chinese Engineers/Technician as shown below;

5.0 Project Investment Cost

The estimated capital investment cost of the project is US\$ 1,517,000

YUNCHANG MACHINE AND TRADING CO LTD COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	300,000.00
Machinery & Equipment	740,000.00
Motor Vehicles	100,000.00
Furniture & Fittings	2,000.00
Pre exp	25,000.00
Working Capital	350,000.00
TOTAL	1,517,000.00

6.0 Financial Analysis

6.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied, it is assumed to be 5% annual depreciation.

It is assumed that the major building raw material will be procured from local market and other will be imported. Revenues have been conservatively estimated based on experience of the promoters and trends in the Real estate industry.

8 years financial projections have been worked out

6.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 96,600 in first year to US \$ 3,750,362 in the 8 year, refer appendix (I)

6.3 Projected Cash Flows

The project's cash flows depict a good liquid position right from the first year. Cash accumulation builds up from US \$ 79,134 in the first year to US \$ 3,482,130 at the end of 8 years of the project's operations, refer appendix (II)

6.4 Projected Balance Sheet

Project total assets increase from US \$ 1,517,000 at the end of first year to US \$ 4,205,530 at the end of 8th year which is significance increase as you can see, refer appendix (III)

7.0 Implementation Schedule

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of serviced furnished apartment will be completed within two years:-

Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	April 2013
2	Processing Exemptions	April-May 2013

3	Mobilizing Fund	February –July 2013
3	Construction/renovation of building	October 2013–December 2013
4	Ordering Machines and other equipment	January 2014–March 2014
5	Testing business and in house training	May –August 2014
6	Commercial operations	January 2015

The proposed project will result into the following social and economic impacts:

- Make available cheap, quality and tress free motorcycles
- Increase the provision of high quality services in transportation sector
- Increased availability of quality distribution and marketing products along side competitive prices of these products will result in increased healthy competition among all trading and manufacturing companies
- The project will result in direct employment creation o 25 people many more indirectly
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid by the company

8.0 Conclusion

~~YUNCHANG MACHINE AND TRADING CO LTD~~ set out a proposal to Invest in the establishment of a SKD motorcycles assembling project to be located in Dar es Salaam.

The Executive Summary highlights indicate that the proposed project will be financial and economically viable, The project will generate significantly to the social and economic progress by way of increasing the provision of quality transportation services in the country. It is recommended that the project be accorded the required institutional support to pave the way for its expeditious establishment and development.

In that regard; we strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to enable smooth implementation

9.0 Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.



TIC Evaluation Report

Name of the Company
Yun Chang Machine & Trading Co. Ltd

Post Box	Mandela Road	COI Number	96024	Contact	Duan Hong Qi
Post Office	32080	COI Date	20/12/2012	Designation	Director
Region	Dar Es Slaam	Application F. No	10987	Phone	
Country	Tanzania	Status	New	Direct Phone	
		Sector	Manufacturing	Cell Phone	0652803555
		Sub Sector	Assembling Of Tricycle and agricultural implements	Fax	
		File No	042431	E-Mail Address	

Project Location		Investment Finance Plan in Millions USD										
Block	Plot. No. 318,	<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>0.817</td> <td>0</td> <td>0.7</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.817	0	0.7	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0.817	0		0.7	0								
Street	Mandela Road											
District	Ilala											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.3
Wang Di Jing	Chinese	10	Plant	0.74
Duan Hunqi	Chinese	90	Vehicles	0.1
			Furniture & Fittings	0.002
			Pre-expenses	0.025
			Others	0
			Working Capital	0.35
			Total	1.517

Employment	27	Evaluated By	wf officer4
Capacity	4,000 UNITS PER YEAR	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

Description

To establish a project for tricles and agricultural implements assembling

Recommendations

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

Decision

Approved as recommended.
abdyuh
AG EXD
17/4/2013

TICC/PP.10/042431/3

19th April, 2013

Managing Director,
YUN CHANG MACHINE & TRADING CO. LTD,
P.O. Box 32080,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A PROJECT FOR TRICYCLES AND AGRICULTURAL
IMPLEMENTS ASSEMBLING**

We wish to acknowledge receipt of your project proposal to establish a project for tricycles and agricultural implements assembling as presented in the TIC P.A. 1 Form No. 10987 and Feasibility Study with a projected investment of USD 1.517m.

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\$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

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

TICC/PP.10/042431/3

19th April, 2013

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

Unclaimed refund beyond three years will be forfeited



4

TANZANIA INVESTMENT CENTRE

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

RECEIPT REC011171

No. **005408**

Received from : **YUN CHANG MACHINE AND TRADING CO. LTD**

Address : **P.O. Box 32080, Tel. +255652803555 Dar Es Salaam**

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



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

Amount : **USD 1,000.00**

Cash / Cheque No: **d/deposit 3/5**
Date : **03-May-2013**

B. Uiso
Receiving Officer





00219872

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042431

This is to certify that

.....
YU CHANG MACHINE & TRADING CO. LTD
.....

.....
P.O. BOX 32080
.....

of address

DAR ES SALAAM
.....

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

YU CHANG MACHINE & TRADING CO. LTD
.....

PLOT NO. 318 MANDELA ROAD
.....

Which is located at

ILALA - DAR ES SALAAM
.....

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

.....

Executive Director

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

Dated 7TH MAY 2013



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

1. Shareholders

	Nationality	Shareholding (%)
Wang Di Jing	Chinese	10
Duan Hungi	Chinese	90

2. Proposed Activities : **To establish a project for tricycles and Agricultural implements assembling**

3. Sector: **Manufacturing** Subsector **Assembling of tricycles and agricultural implements**

4. Investment cost: Foreign **USD 1.517m.** Local **-** Total **USD 1.517m.**

5. Project Financing: Equity **USD 0.817m.** Loans **USD 0.7m.** Total **USD 1.517m.**

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

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	USD 1.517m.	-	USD 1.517m.

8. Technology Agreement **None**

9. Date of TIC Registration: **19th April 2013**

10. Implementation period **April 2013 - March 2016**

11. Operative date..... **April 2016**

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

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

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

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

Signed 
Executive Director

MINUTE SHEET

Dokezo
No.

1.0

Ag: EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest U.S.\$ 1.517m.....

(b) Legal entity has been incorporated under certificate

No. 96024 of 20/12/2012.....

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

Submitted for signature.



N. Senzia

DIF

19th April, 2013



2.0

Ag. EXD

In response to the TIC letter of registration dated 19th April 2013.....

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from BANK M LTD.....

(c) Lease Agreements as Evidence of land.....

With the above submission EXD is requested to sign Certificate of Incentives No. 042431..... herein attached.

7/05/2013



DIF

MINUTE SHEET

Dokezo
No.