

FLYING HORSE

INTERNATIONAL

LOGISTICS CO. LTD

MINUTE SHEET

Dokezo
No.

1.0

Ag: EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 2.6 m

(b) Legal entity has been incorporated under certificate No. 98079-01 of 25/03/2013

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

Submitted for signature.


N. Senzia

DIF

23rd April, 2013

2.0

EXD

In response to the TIC letter of registration dated 23rd April 2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Barclays Bank LTD

(c) Lease Agreement as evidence of land


With the above submission EXD is requested to sign Certificate of Incentives No. 042425 herein attached.

14/06/2013

3.0

DIF MZ

1 approve


Ag EXD



DIF

17/6/2013

MINUTE SHEET

Dokezo
No.

limited and beyond three years will be forfeited



Handwritten circled number '4'

TANZANIA INVESTMENT CENTRE

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

RECEIPT REC011394

No. 005631

Received from : FLYING HORSE INTERNATIONAL LOGISTICS

Address

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

Being payment in respect of : CERTIFICATE OF INCENTIVES FEES

Amount : TZS 1,600,000.00

Cash / Cheque No: D/deposit 23/5

Date : 27-May-2013



Receiving Officer

For Executive Director
Tanzania Investment Centre

Unclaimed refund beyond three years will be forfeited

8961



10971

TANZANIA INVESTMENT CENTRE

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

RECEIPT REC010890

No. 005164

Received from : FLYING HORSE INTERNATIONAL LOGISTICS

Address

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

REGISTRATION FEES

Being payment in respect of :

Amount : USD 100.00

Cash / Cheque No: D deposit 5/4

05-ADI-2013

Date :

BUisso

pp [Signature]

Receiving Officer

For Executive Director
Tanzania Investment Centre

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

**FLYING HORSE INTERNATIONAL
LOGISTICS CO. LIMITED**

Incorporated thisday of.....2013

**DRAWN BY:
WEIQIANG XU
(SUBSCRIBER)
P.O. BOX 20232
DAR ES SALAAM.**

TANZANIA
Stamp Duty Shs. PAID ON ORIGINAL
Receipt No. 32936 of 22/3
Stamp Duty Officer

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION

TANZANIA
Stamp Duty Shs. PAID ON ORIGINAL
Receipt No. 32936 of 22/3
Asst. Registrar of Companies

OF

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED

1. The Name of the Company **FLYING HORSE INTERNATIONAL LOGISTICS 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 on the business of logistics, clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, 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, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
 - b) To carry on the business of transport contractors, road haulage contractors and to own and operate heavy duty vehicles including trucks, trailers and own, hire, operate transport facilities including trucks, lorries, saloon cars, combies, carries, taxis, aero plane and ships including steamers, barge boats and tug-boats for the express or implied purpose carrying or ferrying cargo, passengers, tourist and to act as transport and general haulage contractors and consultants, tour operators, travel agents, clearing and forwarding agents and to own, lease or hire godowns, warehouses, bonded warehouses, goods sheds and seal like facilities for the purpose of storing, preserving, packaging and repacking goods, cargo and all other articles and goods whatsoever to facilitate transportation, air freight and general delivery thereof whatsoever to customers and owners.
 - c) To rent, sell, hire or let all types of vehicles, taxis, daladala, long trip safaris, motor coaches, vehicle bodies, engines, machinery and other chattels and things used for any of the above purposes.
 - d) 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.

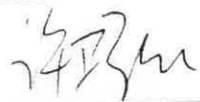

- e) To carry on the business as principals agents or manufacturers, representatives of importing, exporting, buying, selling, distributing of motor vehicles, cars trucks, lorries or other vehicles, motor vehicles spares and parts of all descriptions, fuel and other oils, petroleum of all kinds, tyres and tubes, batteries, battery solution and other spares, accessories, motor cycles, bicycles, tractors, mining equipments, fishing gears, agricultural and industrial machinery and equipments, new and second hand spare parts and accessories and generally to deal in all types of motor spare parts and industrial and agricultural machinery and parts, electronic goods and accessories thereof.
- f) To own and operate plants and factories for making spare parts including nuts and bolts, rivet screws, nail, roofing nails, radiators, valves, crankshafts, springs, door handles, and locks, bushes, electrical fittings including wires, switches, plugs, sockets, distribution boxes and to carry on all or nay of the business of repairman, electrical contractors, maintenance contactors and to own machinery, equipments and tools including drills, spanners, hydraulic jacks and implied purposes of running garage, including trucks, lorries, cars, any other power propelled vehicles and machinery, whatsoever.
- g) To carry on the business of general merchants, general store-keepers, universal providers, importers, exporters, suppliers, wholesale and/or retail traders, dealers of piecewood, paints, hardware, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
- h) To carry on the business as general traders, merchants, suppliers, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, timber, fishing gears, groceries, computers, office equipments, cooking oils, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags, dealers in manufacturers of footwear, peak caps, rain coats and other similar goods.
- i) To promote tourism in Tanzania and elsewhere in Africa and carry on business of travel and tour operator to promote, facilitate traveling, to organize hunting and tended-camps, fishing and diving expeditions, safari promoters, undertakers, generally in particular to arrange, manage hunting safaris photo safari adventure tours, handling of game trophies, animal skins, catching, harboring, transporting, wildlife and marine products of all kind.
- j) To carry on the business of domestic safari operator, travel agents, promoters of tourism, safari organizers and outfitters, organizers of all types of photographic safari birds shooting safaris and luxury tented safari to all parts of the world and in East Africa by air, sea, rail, cars, buses or any other method of locomotion and to organizes big-game fishing and the business of travel bureau or booking offices for all types of tours and safaris and to act as guides, couriers, interpreters and professional safari photographers and the business of motor vehicle hire enterprises offering tour transport facilities both self driven and chauffeur drive.

- k) To engage in and carry out the business of proprietors and managers of hotels, restaurants, bar, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.
- l) To carry on all or any of the business of stationers, printers, lithographers, stereotypes, electrotypes, engravers, photographic, printer, photo lithographers, typesetting machines operators, die sinker, envelope makers, book binders, account book manufacturers, machine, rulers numerical printers, paper makers, paper baffles and account book makers, box makers, flax and box file makers, cardboard manufactures, type foundry, of dealers in playing, visiting, railways, festival invitation, dealers in or manufacturers or any other articles or things or character similar or analogous to the foregoing or any of them or connected therewith and to deal in the manufacture of and sell by wholesale or retail of school chalks, and secretarial services.
- m) To carry on the business of establishing and running shops, shopping malls, provision stores, supermarkets, department stores, groceries food and shops of all kinds and description and generally to deal with such activities.
- n) To carry on the business as general food processors, packers, to be general suppliers of foods stuffs and agricultural crops, grain millers, food mixers, general exporters of fresh fruits, vegetables and flowers, to act as agents of buying and selling all kinds of food stuffs, agricultural equipments of every description, and generally to deal in any other business connected therewith.
- o) To carry on any other wholesale, retail or manufacturing business which may be conveniently conducted in conjunction with any other activity of the Company; to carry on the business of grocers, bakers, butchers, meat salesmen, bacon factors and merchants, butter factors and salesmen, cheese mongers, fritterers and greengrocers, egg merchants and salesmen, poultries, wine, spirit and beer merchants and salesmen and general provision merchants to buy, sell, manufacture and deal in goods, stores and consumable articles of all kind both wholesale and retail.
- p) To manufacture, buy, sell and deal in mineral waters, wines, cordials, liquors, soups, broths and other restoratives of food specially suitable or deemed to be suitable for invalids and convalescents and all kind of soaps, shampoos, non-medicated toilet preparations, hair colorants, hair conditioners, hair dyes, hair lotions or hair styling preparations, hair colorants, deodorants, non-medicated talcum powder for toilet purposes, depilatories, anti-per spirant preparations, sun-tanning preparations, bath additives, bath oils or bath salts not for medical purposes, shaving preparations, dentifrices, essential oils, beauty masks, facial packs, nail care preparations, nail vanish, pumice stones, cotton sticks, wool for non- medical purpose.
- q) To carry on the business of alcoholic and non alcoholic, such as brewers, malters, distributors, buyers, sellers, merchants and dealers in beer, ale, porter, stout, wines, spirits, aerated waters, soda, liquors of every description, whether intoxicating or not and of malt, hops, grain, meal yeast and all other materials, and the rights to produce distribute, market or exhibit any of the products as aforesaid.

- r) To manufacture, process, make, manipulate, refine, buy, sell, import, distribute, and deal in beauty products, cosmetics and perfumes of all kind and description, in particular but without prejudicing or limiting the generality of the foregoing, perfume sprays and applications, make ups, body creams, -oils and ointments, skin care preparations and lotions, polishes, vanishes, talcum and other preparations.
- s) To carry on the business of providing consultancy services concerning various ways of utilizing computer system in all possible business functions, to act as manufacturers' representatives for all type of computers and similar items, to buy, sell, hire, repair components parts relating to hardware, software, word processors and other type of information technology.
- t) To carry on the businesses of hardware merchants and iron monger dealers in household utensils, china glass, cutlery, household fittings, electrical appliances, wiring and materials, television and radio receivers, apparatus and equipment, record cassette and tape players and such other goods as may be conveniently sold therewith or in the manufacture, maintenance and repair thereof.
- u) To carry on the businesses of house furnishers, upholsters and dealers in and hirers, repairers, cleaners, stores and warehouses or furniture, carpets and other floor coverings, home and office furnishings and fittings of all kind and all things capable of being used therewith or in the manufacture, maintenance or repair thereof.
- v) To carry on the business of drapers, costumiers, robe dress and mantle makers, tailors, silk mercers, makers and suppliers of clothing, lingerie and trimmers of every kind, haberdashers, milliners, boot and shoe makers, dealers in fabrics and materials of all kind, footwear and leather goods, sports goods and toys.
- w) To build, construct, alter, improve, enlarge, repair, maintain, develop, demolish, remove or replace and work, manage, carry out or control works of all descriptions including but not limited to offices, factories, mills, warehouses, shops, stores, garages and other buildings, roads, machinery and plant, 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, improvement, enlargement, maintenance, development, demolition, removal, replacement, working, management carrying out or control.
- x) To carry on the business of proprietors of clubs, entertainment houses, halls recreational centers, billiards, conference, seminar workshop, wedding halls and carry on all or any of the business of traders, manufactures and proprietors, promoters, financiers concessionaires, commercial agents and advisors of and for commercial, industrial, agricultural, forestry, fishery, mining, transport, housing entertainment, hotel, hotel management, restaurants and financial undertakings and enterprises and in particular but without prejudice to the generally of the fore-going to act as consultants, general agents managing, agents, directors, secretaries, personal undertaking or enterprise as aforesaid.
- y) To carry on any other trade, business or activity whatsoever and to do anything of any nature, which can, in the opinion of the Directors of the Company, be in advantageously or conveniently carried on by the Company in connection with, as ancillary to or independently of any of its business.

- z) To purchase, take on lease or in exchange, hire or otherwise acquire any moveable or immovable property of any kind or any interest therein and any rights or privileges which the Directors of the Company may think necessary or convenient for the purposes of or in connection with the Company's businesses or which may enhance the value of any other property of the Company.
- aa) To improve, manage, develop, turn to account, grant rights or privileges in respect of or otherwise deal with any of the property, rights and privileges of the Company.
- bb) To subscribe for purchase or otherwise acquire and hold shares, stocks, debentures and other securities of any other company and to invest and deal with the moneys of the Company in any manner.
- cc) To vest any moveable or immovable property; right, privilege or interest acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company and with or without any declared trust in favor of the Company.
- dd) To acquire and undertake the whole or any part of the business, assets and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or which can be carried on in conjunction with any business of the Company or which is capable of being conducted so as directly or indirectly to benefit the Company or which is possessed of property suitable for the purposes of the Company.
- ee) To lend money or give credit to any person or company with or without security; to give guarantees for the payment of money or the performance of contracts or obligations by any person or company to secure or undertake in any way the repayment and otherwise to assist any person or company.
- ff) To open and operate banking accounts and to draw, make, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, drafts, cheques, bonds and other negotiable or transferable instruments.
- gg) To pay for any rights or property acquired by the Company all expenses, which the Company may lawfully pay for or in connection with the formation and registration of the Company or the issue of its capital.
- hh) To pay for any rights or property acquired by the Company and to remunerate any person or company, by cash payment or by the allotment of shares in the capital of the Company, credited as paid up in full or in part, by the issue of debentures or other securities of the Company or in any other lawful manner.
- ii) To sell, exchange, lease, mortgage, charge or otherwise dispose of the property assets or undertaking of the Company or any part thereof for such consideration as the Directors of the Company may think fit and in particular for shares, stock debentures or other securities of any other company whether or not having objects altogether or in part similar to those of the Company.
- jj) To distribute among the Members in specie or in kind any property of the Company or any proceeds of sale or disposal of any property of the Company but so that no distribution amounting to a reduction of capital shall be made except with any sanction for the time being required by law.

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

Names. Addresses and Description of Subscribers	Number of shares taken by each Subscriber	Signature
WEIQIANG XU P.O BIX 20232 DAR ES SALAAM.	80	
QUANJING PAN P.O BOX 20232 DAR ES SALAAM	20	

Dated at Sam this 21 day of March, 2013

Witness: the above signatures

Name : _____
 Signatures : _____
 Postal Address : _____
 Qualification : _____



THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED

INTERPRETATION

In these articles:-

"the Act" means the Companies Act;

"the articles" means the articles of the company;

"clear days" in relation to the period of a notice 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.

PRIVATE COMPANY

2. The Company is a Private company and accordingly.
 - (a) The right to transfer shares is restricted in the manner hereinafter prescribed;
 - (b) The number of Members of the Company (exclusive of persons who are in the employment of the Company and of persons who, having been formerly in the employment of the Company, were while in such employment to be the Members of the Company) is limited to fifty. PROVIDED THAT where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single Member,
 - (c) Any invitation to the public to subscribe for any shares or debentures is prohibited.
 - (d) The Company shall not have power to issue share warrants to bearer.

MEMBERS

3. The number of members with which the company proposes to be registered two is but the directors may from time to time register an increase of members.
4. 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

5. 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.

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. 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

8. 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.
9. 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.

PROCEEDING AT GENERAL MEETINGS

10. 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.

11. 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.
12. 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.
13. 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 members to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
14. 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 members to be a chairman of the meeting.
15. 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.
16. 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.

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

19. 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.
20. 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

21. Every member shall have one vote.
22. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Act, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
23. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
24. On a poll votes may be given either personally or by proxy.
25. 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.
26. 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 person 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.
27. 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 of201....., and at any adjournment thereof.
 Signed this day of,201"

28. 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 the day of 201....., and at any adjournment thereof.
Signed this day of, 201.....”

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”

29. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
30. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly 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

31. 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

32. 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.
33. The following persons shall be first Directors to the Company:-
1. WEIQIANG XU
2. QUANJING PAN
34. The remuneration of the directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

BORROWING POWERS

35. 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

36. 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.
37. 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.
38. 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 the case may be, in such manner as the directors shall from time to time by resolution determine.
39. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
 - (b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
 - (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

DISQUALIFICATION OF DIRECTORS

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

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

41. The company may by ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.

42. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re – election.
43. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director. Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.
44. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.
45. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
46. The quorum necessary for the transaction of the business of the directions may be fixed by the directors, and unless so fixed shall be two.
47. 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.
48. The directors may appoint one of their members 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 members to be chairman of the meeting.
49. 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.
50. 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.

51. 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

52. 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.
53. 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

54. 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.
55. 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.

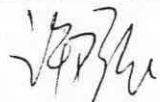

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and air view of the state of the company's affairs and to explain its transactions.

56. 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.
57. No member 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.
58. 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.
59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors shall not less than twenty – one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

AUDIT

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


61. Any notice to be given to or by any person pursuant to the articles shall be in writing and calling a meeting of directors. 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 seventy- two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address 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
WEIQIANG XU P.O BIX 20232 DAR ES SALAAM.	80	
QUANJING PAN P.O BOX 20232 DAR ES SALAAM	20	

Dated at Dar this 21 day of March 2013

Witness: the above signatures

Name : P. L. Chuma

Signatures : 

Postal Address : Dar es Salaam

Qualification : Advocate, Notary Public & Commissioner for Oaths





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 WEIQIANG XU
(director/directors/agent of FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD)
(name of business enterprise) apply for registration of CERTIFICATE ON INVESTMENT
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 MISAGALA-DJM.

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 KIWAZANI - DAR ES SALAAM
- 4. The Principal Officers of the Company are 1. WEIQIANG XU
..... 2. GUANJIN PAN
.....
- 5. Auditors of the Company are TO BE APPOINTED
.....
- 6. The authorized share capital of the Company is Tshs./US\$ 500,000,000/-
.....
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,600,000

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

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

I/We enclose a cheque/cash made payable to the Tanzania Investment Centre for Tshs./US\$ 100/- Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, WFIQIANG QY of Post Office Number 20232 Dsm

..... do solemnly and sincerely declare that I am a director/duly authorized agent of FLYING HORSE INTERNATIONAL LOGISTICS W. 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 day of 20..... }

[Handwritten Signature]
Applicant

Before me:
[Handwritten Signature]
MERCY GODLAY JILALA
Advocate, Notary Public &
Commissioner for Oaths
P.O.Box 11591, D.S.M.

.....
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD

Certificate of Incorporation Number: 98079 Status: NEW

Certificate of Incorporation Date: 25/03/2013

Post Box: 20232

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: STEEL ROOF TILES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
0.78		1.820	

Project Objectives: TO ESTABLISH A STEEL ROOF TILES MANUFACTURING PROJECT

Capacity: 100,000 Tile/Annum

Employment: Foreign: 4 Local: 39 Total: 43

Implementation Period:

Project Location

Site/Plot/Block No.: GURU ENGINEER RD - PLOT NO. 4 BLOCK A.

Street: KIWAANI District: TEMBEKE Region: DAR ES SALAAM
(Attach sketch map showing project location)

Shareholders	Nationality	%
WEIQIANG XU	CHINESE	80
QUANJIN PAN	CHINESE	20

Investment Breakdown US\$/Tshs.M

Land/Building 1,300,000
Plant 900,000
Vehicles 200,000
Furniture & Fittings 50,000
Pre-expenses 30,000
Others 20,000
Working Capital 100,000
TOTAL 2,600,000

Contact Details:

Name: AKILEI Title: COMPANY SECRETARY

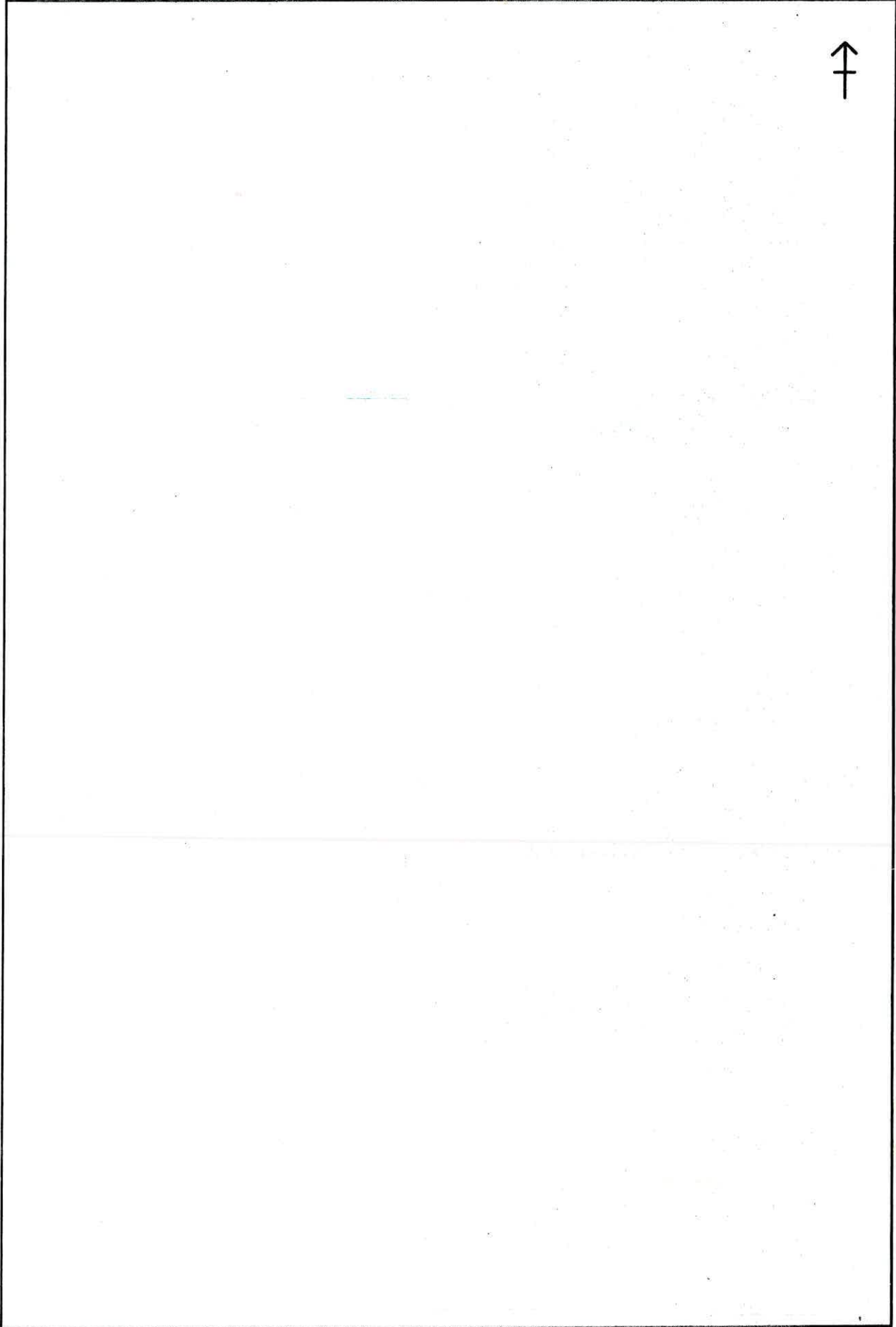
Telephone: 0715 025 614 Fax:

Email:

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





TANZANIA



Certificate of Incorporation

Section 15

No 98079

I HEREBY CERTIFY THAT

**FLYING HORSE INTERNATIONAL LOGISTICS
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 25TH day of MARCH**TWO THOUSAND AND THIRTEEN**

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

Asst.Registrar of Companies

FLYING HORSE INTERNATIONAL LOGISTICS
CO. LIMITED
P O Box 20232
DAR ES SALAAM

①

Ref.No: FHILC/TIC/Apr/2013

8TH April 2013

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are incorporated company created for purposes of establishing a steel roof tiles manufacturing Project. The Proposed project will be in Dar es Salaam . It is due to this reasons that we hereby submit our application for TIC Certificate of Incentives to facilitate implementation of the project.

Attached herewith please find the following basic documents for you kind approval:

1. A completed and signed application form
2. A copy of our certificate of Incorporation
3. A copy of the Company's Memorandum and Articles of Association
4. A certified copy of Title deed.
5. Company Board Resolution to register with TIC
6. A copy of our Feasibility study showing the implementation Period,

Thank you for your kind consideration

Yours Sincerely,


.....
WEIQIANG XU

GENERAL MEETING OF SHAREHOLDERS

HELD ON 5th April 2013

Agenda

- i) Registration with Tanzania Investment Centre
- ii) AOB

At 10.00 a.m. on April 5th 2013 the shareholders of **M/S FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED** held a meeting to discuss the agenda above. It was unanimously agreed that **M/S FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED** would register with Tanzania Investment Centre for Project of manufacturing steel roof tiles.

There being no other business to discuss. The meeting was closed at 10.30 a.m.


.....
Weiqiang Xu
Chairman


.....
Quanjin Pan
Secretary

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED

**A BUSINESS PLAN FOR PROJECT OF
MANUFACTURING
STEEL ROOF TILES**

Prepared by:
FLYING HORSE INTERNATIONAL
LOGISTICS CO. LIMITED
DAR ES SALAAM

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1. INTRODUCTION

1.1 FOREWORD

A tile is a manufacture piece of hard- wearing material such as ceramic, stone, matel, or even glass. Tiles are generally used for covering roofs, floors and walls, showers, or other objectives such as tabletops. Alternatively, tile can sometimes refer to similar units made from lightweight material such as perlite, wood and mineral wool, typically used for wall and ceiling applications. Less precisely, the modern term can refer to any sort of construction tile or similar object, such as rectangular counters used in playing games. The word is derived from the French word tuile, which is in turn from the Latin word tegula, meaning a roof tile composed of baked clay.

Tiles are often used to form wall and floor coverings, and can from simple square tiles to complex mosaics. Tiles are most often made from ceramic, with a hard glaze finish, but other materials are also commonly used, such as glass, marble, granite, slate and reformed ceramic slurry, which is cast in a mould and fired.

Roof tiles are designed mainly to keep out rain, and are traditionally made from locally available material such as clay or slate. Modern materials such as concrete and plastics are also used and some clay tiles have a waterproof glaze. A large number of shapes (or 'profiles') of roof tiles have evolved. These include

- Flat tiles- the simplest type , which is laid in regular overlapping rows, .The profile of flat tiles is suitable for stone and wooden, tiles and most recently, solar cells.
- Imbrex and tegula, an ancient Roman patten of curved and flat tiles that make rain channels on a roof.
- Roman tiles- flat in the middle , with a concave curve at one end a convex curve at the other to allow interlocking
- Pantiles with an S-shaped profile, allowing adjacent tiles to interlock. These result in a ridged pattern resembling a ploughed field
- Mission or barrel tiles are semi-cylindrical tiles made by forming clay around a curved surface, often a log or one's thigh, and laid in alternating columns of convex and concave tiles.

Roof tiles are 'hung' from the framework of roof by fixing them with nails, The tiles are usually hung in parallel rows, with each row overlapping the row below it to exclude rainwater and to cover the nails that hold the row below. These are also roof tiles for special positions, particularly where the planes of the several pitches meet .They include ridge, hip and valley tiles.

The most important part of any home or building is the roof over one's head. Pre- painted , galvanized steel Roofing .Tiles comprise a core of galvanized steel with polyester paint coating offering the appearance of traditional; clay tiles and thus enhancing the beauty of any property. This is applicable in

various areas such as residential villas, beach houses and factories. Such tiles provide following advantages to users:

- Extremely strong despite its light weight
- Resembling traditional clay roofing tiles
- Suitable for both commercial and residential applications
- Availability in different colours
- Paint will not crack, peel or blister
- Exceptional durability
- Easy Installation
- Low maintenance

1.2 OBJECTIVES OF THE STUDY

The purpose of this Feasibility Study is to work out the technical and commercial details and the financial viability for the establishment of the above project at a suitable location within Dar es Salaam Region

1.3 PROJECT PROMOTERS

The following sponsors are promoting the proposed project

S/NO	NAME AND ADDRESS OF SHAREHOLDER	SHERES HELD	% SHARE HOLDING
1	WEIQIANG XU P O BOX 20232 DAR ES SALAAM	80	80
2	QUANJIN PAN P O BOX 20232 DAR ES SALAAM	20	20

The current shareholders of the Company have a wealth of experience managing businesses in various sectors including transportation. They are keen to exploit such experience to make this project a success.

1.4 STUDY LAYOUT

This study is presented in one document comprising the following major chapters.

- Chapter One - Introduction
- Chapter Two - Executive Summary
- Chapter Three - Manufacturing Sector in Tanzania
- Chapter Five - Production Process and Technology
- Chapter Six - Raw Materials and Other Production Inputs
- Chapter Seven - Manpower and Plant Organization
- Chapter Eight - Investment and Financing

Chapter Nine -	Cost of Operation
Chapter Ten -	Financial Analysis
Chapter Eleven -	Economic Analysis
Chapter Twelve -	Recommendations

EXECUTIVE SUMMARY

2.1 INTRODUCTION

The Study examines the possibility of establishing a project to manufacture steel roofing tiles and initially cater for the local Market in Tanzania. The promoters target to achieve status of being world leaders in steel roof tile production and technology .The Company's product range will include a variety of roof profiles to complement much different home style. Recognition of market needs and demands will be the hallmark of the anticipated success in provision of roofing solutions.

The project will be property developed using leading edge techno to enable the Haut International (Tanzania) Ltd to enjoy rapid expansion in all target markets as more and more homeowners continue to appreciate the benefits of its roof. The company will develop the capability to produce roof styles to suit every market.

Achieving a good looking product is not enough in competitive markets. It is innovative design and consistency in the manufacturing process that will earn the company's roofing systems an international reputation for excellence. Development of specialized surface coatings and pressing technology is expected to contribute in positioning the company as leader in steel roof tiles. All operations will have latest ISO accreditation, reassuring customers of products designed to meet all their needs and produces to consistently high quality standards

Founders of Haut, International (Tanzania) Limited have enjoyed a proud history and the future looks even brighter for the proposes project. The new company intends to lead in the worldwide trend towards using steel as a roofing substrate as we progress through the 21st century.

Selecting any building product is process fraught with potential problems. Not only does one need to satisfy oneself that the product is valid for the application, one must also be totally confident that the product is reputable, reliable and well established. The Company that its products will evolve into one of the sturdiest and most attractive roofing system available on the market .The following are reasons why one should select the company's roofing tiles and products

- **Strong Foundations**

A Strict code of professionalism, quality and service will place the company at the top of the roofing business, and our regulation will be steadily extended through the obvious satisfaction of builders and homeowners alike.

- **Strong On Looks**
The Company will manufacture several roofing system. Its range of roof tiles will of superb structural integrity and immaculate appearance .The factory will maintain high quality standards certified to universally recognized criteria.
- **Strong in Design**
Each steel based tile will be designed and manufactured for strength. The unique overlapping system and fixing technique will provide not only a leak proof roof, but also a form of burglar proofing. All tiles will be available in galvanized mild steel substrate or alternatively in Alu- Zinc coated mild steel for added long term corrosion resistance
- **Durable**
Through On- going research the acrylic coating which was developed in 1970, can now withstand high ultra- violet levels and most adverse weather conditions. The small stone granules bonded to the surface result in a truly durable finish which is unaffected by extensive weathering such as gale force winds, pelting rain and hailstorms.
- **Maintenance Free**
The tiled roof will be maintenance free, which means buyers will not have the inconvenience of fixing leaks, replacing broken tiles or repainting every few years.
- **Versatility**
The roofing product will also be superb for re-roofing easily turning your house into a prize home in just two to three days.
- **Strong on Savings**
A one- ton roof could weigh up to eight tons more in concrete ordinary tiles. This excellent weight- to- strength ratio means that, with the proposed tiles, a client will invest money in tiles and not unnecessary structure.
- **Weatherproof**
The durable, steel- based tile can withstand the impact of all the elements including the several of hailstorms. The Alu- Zinc tile option is the combination of structural protection of aluminum, and this allows for superior performance to galvanized coatings in some environments .Alu- Zine properties also provide a cooler roof material, as it is less hear absorbent

2.2 MARKET AND MARKETING ASPECTS

2.3.1 Market Demand of the Product

The steel roofing tiles we intend to manufacture will mainly support of construction industry in Tanzania. The country's construction industry, which grew by 10.5 per cent was third main driver of the economy during 2008/09. It is important to note that construction and infrastructure development activities are increasing at high pace in Tanzania

At present there are only a few companies in Tanzania which manufacture steel roofing tiles. Many of the companies are unable to deliver quality product. Our company will produce quality products, at every reasonable price. Based on our market survey, our products have a huge demand and we intend to deliver a quality product and at a reasonable price to cater to the rising demand of the products mentioned above.

2.3.2 Market Segmentation & Targets

The company will focus its market offering on two major customer groups:

- Companies with large construction projects
- Individuals constructing residential commercial buildings

Our Market survey shows that the above referred customer segments are the most demanding in terms of provision of quality roofing products and technical support. The company is particularly very strong in these areas and will utilize our capabilities to serve these clients

2.3.3 Competition & buying Patterns

Initial market survey shows presence of few companies in Tanzania which manufacture steel roofing tiles. Their weaknesses however are lack technical ability, lack of knowledge to design and develop new products and finally poor pricing. We believed that a customer will choose our product based on the following criteria.

- **Quality of Product:** The steel roofing tiles we intend to manufacture and supply will be of superior quality and complying with various international standards
- **Pricing;** The roofing tiles will be competitively priced, thus helping customer reduce their overall operating cost.
- **Performance;** The product we intend to supply will be of superior quality and will last for longer duration, which in turn will reduce maintenance cost

- **Delivery:** We will provide on time delivery, there by reducing customer inventory and overall operating cost

2.3.4 Marketing Strategy

The company's marketing strategy will be to continue to promote sales of its produce utilizing internal and external sales tactics. By continuously interacting with customer, knowing their demand and seeking new accounts. We plan to leverage our expertise to acquire companies with product line that complement our manufacturing operations .the company's goal in next five years is to continue with our 'value added scheme' and embark on an acquisition program that will see the company take over key industry players existing in the market.

2.3.5 Sales Strategy

Haul International (Tanzania) Limited sales plan is to seek business that will advance the company's quest to vertically integrate and become a stronger force in this industry. The company will continue to strive towards procuring sales of its products and enhancing manufacturing capacity. The company will use direct sales force and relationship selling to reach its markets.

2.3 PROCESS AND TECHNOLOGY

Steel Tile metal roofing systems combine the versatility of refinished steel with the classic look of clay tile. The company's roofs will be built to withstand even the harshest climates from hurricanes to blizzards. The high- tech paint system will preserve their colour with minimal fading year after year. The tiles 'water channel seam will be designed to provide virtually leak – proof for generations to come.

2.4 LOCATION

As mentioned earlier the factory will be located at a suitable location within Dar es Salaam Region.

2.5 MANPOER REQUIREMENTS

The whole project will comprise of a total permanent work force of 43 people and several other temporary employees. Maximum employment will be given to the local work force. The factory will be organized into three major areas namely:

Production, Marketing, Finance and Administration

2.6 IMPLEMENTATION

The project is planned to undergo two phases

Phases I: Major activities to be involved registration of the project and approvals by the Tanzania Investment Centre (TIC) and mobilization of funds from sponsors. Other activities include identification of appropriate technology, sourcing of machinery and equipment, construction of buildings, staff recruitment and training of core personnel, Production will commence in these phases.

Phases II Will involve farther expansion of production operations and employment of staff.

2.7 PROJECT ECONOMIS

2.7.1 Capital Investment Requirements

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Building	1,300,000
Plant & Machinery & Equipment	900,000
Motor Vehicle	200,000
Furniture & Fixture	50,000
Pre Expense	30,000
Others	20,000
Working Capital	100,000
TOTAL	2,600,000

US\$ 1- TSH 1596

2.9.2 Expenditure on basic materials and profitability

The major expenditure item is the purchase of various raw materials which are major inputs in manufacturing operations undertaken by the company. Project revenue will secure from undertaking manufacturing activities explained earlier. Based on projected revenues at sustainable levels of production the project is quite profitable

2.8 RECOMMENDATIONS

The study shows establishment of manufacturing facilities outlined is both technically and financially a feasible undertaking. Furthermore, it will create local employment for the national benefit. In view of the findings, the project is recommended for implementation.

2. INDUSTRIAL SECTOR IN TANZANIA

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

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

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

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

3.1 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.

3.2 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 other 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 373 entrepreneurs were trained on food processing and 178 skin processing. Training on skin processing was undertaken in regions of Mara, 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 loan worth Shs. 1.2 billion providing a total of 3,669 new employments.

3.3 PRODUCTION COST

The cost of manufacturing production increased to Sh 1,747,229 million in 2012 from Shs 1,712,247 million in 2011, equivalent to an increase of 2.0 percent. The increase was due to rise in the cost of production particularly fuel

3.4 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 percent. Production of steel and steel products decrease 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 11 percent. However, production of cement increased from 1,630 million tons in 2007 to 1,756 million in 2008 equivalent to an increase of 7.7 percent.

Production of wheat flour decreased from 406,336 tons in 2007 to 287,928 million litres in 2008, equivalent to decrease of 34.6 percent. Production of Kibuku brew declined from 10,320 million litres in 2008, equivalent to a decrease of 0.8 percent. Production of Konyagi to a decrease of 28 percent. However, production of cigarette increases from 5,821 million in 2007 to 6,101 million in 2008, equivalent to an increase of 4.8 percent.

3.5 INTERNAL TRADE

In 2008 trade economic activities which comprise wholesale, retail and repair grew by 10.0 percent from 9.8 percent in 2007. The share of this activity to GDP was 14.1 percent in 2008 compared to 13.8 percent in 2007.

3.6 DAR ES SALAAM INTERNATIONAL TRADE FAIR (DITF)

In 2011 a total of 1,930 exhibitors participated at the Dar es Salaam International Trade Fair-Mwalimu Nyerere Trade Fair ground compared to 1,866 in 2010, equivalent to an increase of 3.4 percent. Sale of goods was Shs 24.8 billion in 2009 compared to Shs 27.2 billion in 2008 equivalent to a decrease of 9.7 percent. The decline was due to many participants opted to promote their products instead of selling and forming joint venture with local traders. Exhibitors participated in 2008 trade fair include, 27 countries, 328 foreign companies, 1,602 local participants and 15 Government representatives from foreign countries.

Export inquiries valued USD 199.8 were received in 2008 compared to USD 197.3 in 2007, equivalent to an increase of 1.3 percent. The increase was attributed to improved products manufactured by participating companies. Purchase of goods decreased to USD 135.1 million in 2008 from USD 140 million in 2007 equivalent to a decrease of 3.5 percent. The decline was caused by increase in cost of domestic raw materials and technology used in production.

4 PRODUCTION PROCESS AND TECHNOLOGY

4.1 BASIC PROCESS

Steel Tile metal roofing system combine the versatility of prefinished steel with the classic look of clay Tile. The Company's roof will be built to withstand even the harshest climates from hurricanes to blizzards. The high-tech paint system will preserve their colour with minimal fading year after year. The tile's water channel seam will be designed to provide virtually leak-proof for generations to come. The company will acquire state of the art machinery, equipment and other inputs including Steel Tile Forming Machine, Plate Shear and Pre-painted Steel Coil.

4.2 QUALITY CONTROL SYSTEM

Required quality control measures will be pursued to ensure that best quality steel roofing tiles are produced to cater initially for the local market and later for export market.

4.3. ENVIRONMENT PROTECTION

Our aim is to make this project environment friendly. Appropriate action will be taken to ensure that manufacturing operation cause no harm to the environment. By taking such measures, we can protect the country's environment in particular and global environment in general.

5 MACHINERY EQUIPMENT AND CIVIL WORKS

5.1 MACHINERY & EQUIPMENT

The company will use state of the art processing technology since it is obliged to maintain international manufacturing standards. The technology to be used will be modern to achieve desired effectiveness and efficiency in the manufacturing processes.

5.2 PLANT LOCATION AND CIVIL WORKS

i. Site and Location

The plant shall be located on a suitable location within the city of Dar es Salaam. This location takes, into consideration such important factor like accessibility, availability of reliable power and water.

ii. Production Building Required

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

iii. Office Building

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

5.3 UTILITY SERVICES

iv. Water

Water supply from Dar es Salaam Water & Sewerage Corporation (DAWASCO) will be necessary. A water reservoir of capacity 10,000 liters is recommended to be constructed at factory premises.

v. Electricity

The Tanzania Electric Supply Company Ltd (TANESCO) has no problem in providing the required amount of electricity from the national grid

6. RAW MATERIALS AND OTHER PRODUCTION INPUTS REQUIREMENTS AND AVAILABILITY

6.1 RAW MATERIALS

The main Raw material for the manufacture of steel roofing tiles will be repainted steel coils to be imported from overseas particularly China

6.2 UTILITIES

I Water

Water supply to the factory premises is required .A water reservoir of capacity 10,000 lites is also recommended to be constructed

li Power

As said earlier in this report, the source of energy for the proposed project will be electric power

A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts.

7. **MANPOWER AND PLANT ORGANIZATION**

The proposed project will have three independent departments, namely,

- Production
- Sales and Marketing
- Administrative and Finance

7.1 **ORGANIZATION**

The Board of Directors of the Company shall manager the project at policy level. The top most person in the day to day running of the company will be the Managing Director .Under the Chief Executive's office be the three Departments mentioned above. Each will be under a Manager and will comprise a number of Sections each headed by a Sections Head as follows

PRODUCTION DEPARTMENT

Sections

- Operations
- Maintenance

SALES AND MARKETING DEPARTMENT

Sections

- Research & Promotion
- Sales

ADMINISTRATION AND FINANCE DEPARTMENT

Sections

- Humana Research, Training & Administration
- Finance & Accounts

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

The Management team of M/S Haut International (Tanzania) Limited will comprise the Managing Director, Production Manager , Finance & Administration Manager and Sales& Marketing Manager

7.2 RESPONSIBILITIES

Responsibilities will be as follows:

i Production Department

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

- The Production Section which would be responsible of overseeing manufacturing activities .A n expatriate will be employed to train the local technicians in this aspect of operations
- Maintenance Section which will manage the factory plant and machinery maintenance

II Finance and Administration Department

Finance & Administrative Manager will head the Department. He –will be responsible for the administration of the Company as well as overseeing the financial aspects of the company. The following important units will be under the Department.

- The personnel and administration unit which be responsible for the general administrative matters of the company as well as personnel issue such as recruitment and training
- The finance unit, which will be responsible for the purchase of raw materials, spare parts and equipment .This section will also be responsible for the receipt, storage and issue of purchased materials.

III Sales and Marketing Department

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

7.3 MANPOWER REQUIREMENT

The permanent manpower requirement for running the propose plant at full operation is 43, with the breakdown mentioned as shows in attached schedules. Several other employees will be contracted on temporary basis

7.4 SOURCE OF MANPOWER AND WAGE BILL

Manpower for proposed project will be employed from local sources, except for a few expatriates who would basically be engaged in the training of local staff. The workers will be given on the job training for familiarize them with the proposed machinery and equipment

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2500	2500	30,000
2	Production Manager	1	2000	2000	24,000
3	Marketing Manager	1	2000	2000	24,000
4	Chief Accountant	1	2000	2000	24,000
5	Assistant Accountants	2	1000	2000	24,000
6	Machine Operators & Technicians	12	700	8400	100,800
7	Other technical Officer	8	700	5600	67,200
8	Stores Officers	4	700	2800	33,600
9	Drivers	5	400	2000	24,000
10	Secretary	3	400	1200	14,400
11	Office Attendants	2	200	400	4,800
12	Security Guards	3	200	600	7,200
		43	12,800	31,500	378,000

After the initial 2 years, depending on the result of the training, local counter parts will replace the expatriates

The total wage bill per annum will be US\$ 378,000 as shown in schedule showing wages and salaries.

8. INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

The financial projections to determine the viability of the project by M/s FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED are based on the following key assumptions

- Installation of manufacturing facilities will start immediately. Thereafter production will commence
- The company target market will initially be the local market while export market will be considered during expansion phase

- Financial calculations are based on current market prices and costs are assumed constant throughout the operations period under view on the assumption that if operation costs change, selling prices will change proportionally preserve the profit margins

8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$ 2.6 Million

8.3 BUILDING AND CIVIL WORKS COSTS

The main civil works required involves construction of factory buildings in which the machinery will be installed .Other civil works will be partitioning, electrocution and water supply, tank installation etc. Total investment on land and buildings is estimated at US\$ 1,300,000/=

8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main machinery for the envisaged project will be those for outlined manufacturing operations. Other supporting equipment various tool, accessories, etc., will be required as explained earlier

The total investment in machinery and equipment is based on quotation received from major suppliers for main production machinery and amount US\$900,000 approximately

8.5 MOTOR VEHICLES

For company work, the promoters intend to procure various vehicles at total cost of US\$200,000

8.6 PRE- PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start up expenses. A budget of US\$30,000 is considered adequate for this item

8.7 INITIAL WORKING CAPITAL

Initial net working capital requirement at maximum for the proposed project works out at about US\$ 100,000.This is mainly for the procurement of initial stocks of raw materials. Rest of the requirement of the working capital will be raised from commercial banks as and when the need arises. This will fluctuate as per stocks in hand.

8.8 FINANCING PATTERN

The financing of the project will be from equity as well as bank loans .The financing of the project will take the following form

	EQUITY (US\$)	LOAN (US\$)
FOREIGN		
LOCAL	780,000	1,820,000

9. **COST OF OPERATIONS**

Some of the anticipated costs for operations the project are detailed in the following sections and summarized in attached schedules. The summarized costs are based on the fifth year of operation.

9.1 **UTILITIES**

A total of US\$ 29,780 will be required as water bills and for the purchase of electric power at sustainable production level.

9.2 **VEHICLE RUNNING EXPENSES**

Vehicle running expenses include fuel, lubricants road licenses etc. The cost has been estimated at US\$ 9,724

9.3 **SALARIES AND WAGES**

The number of employees, along with their incomes, is shown in attached schedule .The total annual wage package is estimated at US\$459,461 including fringe benefits and related taxes

9.4 **MARKETING**

The marketing costs are estimated at US\$ 31,907 per annum as per attached schedule

9.5 **DEPRECIATION**

The following is depreciation schedule for major assets to be employed in manufacturing operations of the project

	YEAR 1 USD	YEAR 2 USD	YEAR 3 USD	YEAR 4USD	YEAR 5 USD
Land and Buildings	39,000	39,000	39,000	39,000	39,000
Machinery, tools& Equipment	297,000	297,000	297,000	297,000	297,000
Motor Vehicles	40,000	40,000	40,000	40,000	40,000
Furniture & Fixtures	5,000	5,000	5,000	5,000	5,000
ANNUAL DEPRCIATION	381,000	381,000	381,000	381,000	381,000

10. FINANCIAL ANALYSIS

10.1 INCOME AND EXPENDITURE

10.1.1 Income

The proposed project by M/S FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED expects to earn its income through revenue generated through manufacturing operations, the total sales are expected to stand at US\$ 2,127,136

10.1.2 Expenditure

Some project costs have been discussed in Chapter 9 and are summarized in detail in attached schedule

10.2 NET INCOME STATEMENT HIGHLIGHTS

The projects annual after tax net income during the fifth year of production is estimated to reach US\$ 113,140 as presented in the Income Statement of the financial statements appendix.

10.3 CASH FLOW HIGHLIGHTS

This is shown in the financial statements. The project has a positive end of the year cash flow from year 1 of operation to the 5th year as shown hereunder

1 st Year	406,100.00
2 nd Year	684,700.00
3 rd Year	979,050.00
4 th Year	1,292,735.00
5 th Year	1,625,722.00

10.4 BALANCE SHEET

The project Balance sheet of the project is shown in the financial statements under same heading .Net worth of the project increase from US\$820,810.00 in the first year of operation to US\$1,157,656.00 in the 5 the Year.

1 st Year	820,810.00
2 nd Year	877,633.00
3 rd Year	951,268.00

4th Year 1,044,516.00

5th Year 1,157,656.00

11.1 ASSUMPTIONS AND CONSIDERATIONS

The basic assumptions underlying economic benefits and costs are:

11.1.1 Taxes and capital costs have been considered

11.1.2 Conversion factors have been used to determine economic costs and benefits:

11.2 ECONOMIC BENEFITS OF THE PROJECT

The successful operation of the project will contribute significant economic benefits to Tanzania. In summary the benefits which will be realized are as follows:

- This project will support investment in manufacturing which is important for the economy, contributing to research and other skills development
- Employment opportunities for at least 43 permanent staff when the project is fully operational
- The direct income for the workers, combined with other social benefits that the Management of M/s FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED will provide, will help in overall efforts or alleviation of poverty in the Region
- Provision of a market for goods and services demanded by expanded tax base to the Treasury and Local Government Authorities and generation of substantial income to the Government

12. RECOMMENDATIONS

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

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

FINANCIAL STATEMENTS

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEARS 5
Sales Revenue	1,750,000	1,837,500	1,929,375	2,025,844	2,127,14
Cost of Sales	700,000	735,000	771,750	810,338	850,854
Gross Profit	1,050,500	1,102,500	1,157,625	1,215,506	1,276,282
Operating Expenses					
Administrative Overhead					
Costs	105,000	110,250	115,763	121,551	127,628
Motor Vehicle running					
Expenses	8,000	8,400	8,820	9,261	9,724
Salaries and Wages	378,000	396,900	416,745	437,582	459,461
Depreciation	381,000	381,000	381,000	381,000	381,000
Marketing Costs	26,500	27,563	28,941	30,388	31,907
Utility Costs	24,500	25,725	27,011	28,362	29,780
Insurance	49,000	51,450	54,023	54,023	54,023
Interest on Loan	18,200	18,200	18,200	18,200	18,200
Communication	1,750	1,838	1,029	1,929	2,929
Total Expenses	991,700	1,021,325	1,052,431	1,082,295	1,114,652
Profit before Tax	58,300	81,175	105,194	133,211	161,629
Tax (30%)	17,490	24,353	31,558	39,963	48,489
Profit After Tax	40,810	56,823	73,636	93,248	113,140

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED
PROJECT BALANCE SHEET

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Fixed Assets	2,450,000	2,069,000	1,688,000	1,307,000	926,000
Long term Assets					
Depreciation	381,000	381,000	381,000	381,000	381,000
Total long term assets	2,069,000	1,688,000	1,307,000	926,000	544,000
Current Assets					
Cash	406,100	684,700	979,050	1,292,735	1,625,723
Account Receivable	105,000	110,250	216,535	421,763	527,628
Inventory	214,710	376,383	438,469	402,292	467,493
Total Current Assets	725,810	1,171,333	1,634,053	2,116,790	2,620,844
Total Assets	2,794,810	2,859,333	2,941,053	3,042,790	3,164,844
Current Liabilities					
Accounts Payable	84,000	88,200	92,610	97,241	102,103
Other Current Liablit	70,000	73,500	77,175	81,034	85,085
Subtotal Current Liabi	154,000	1,616,700	169,785	178,274	187,188
Long term Liabilities					
Long term Liabilitie	1,820,000	1,820,000	1,820,000	1,820,000	1,820,000
Total Liabilities	1,974,000	1,981,700	1,989,785	1,998,274	2,007,188
Net Assets	820,810	877,633	951,268	1,044,516	1,157,656
Captil and Reserves					
Owners Contribution	780,000	780,000	780,000	780,000	780,000
Retained Earning	40,810	97,633	171,268	264,516	377,656
Total Capital	820,810	877,633	951,268	1,044,516	1,157,656

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED

PROJECTED CASHFLOW

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cashflow from Operations	1,400,000	1,378,125	1,447,031	1,519,383	1,595,352
Cash Sales					
VAT Receipt	350,000	367,500	385,875	405,169	425,427
Subtotal Cash Received	1,750,000	1,745,625	1,832,906	1,924,552	2,020.78
Expenditures from Operations					
Purchases	630,000	661,500	694,575	729,304	765,769
Interest and Loan	18,200	18,200	18,200	18,200	18,200
Additional Cash Spent	610,700	640,325	671,431	701,295	733,652
VAT Payments	105,000	147,000	154,350	162,068	170,171
Subtotal Cash Payment	1,363,900	1,467,025	1,538,556	1,610,866	1,687,792
Cash from Operations	386,,100	278,600	294,350	313,685	332,987
Cash flow from Investments					
Purchases of Assets	2,450,000				
Pre Expenses	30,000				
Working Capital Requirment	100,000				
Cash flow from financing					
Loan	1,820,000				
Owners Contributio	780,000				
Cash Flow from Financing	2,600,000				
Net Casflow for period	406,100	278,600	294,350	313,685	332,987
Cashflow at start of year		406,100	684,700	979,050	1,292,735
Cashflow at the end of year	406,100	684,700	979,050	1,292,735	1,625,722

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED
SCHEDULE AND TABLES
SCHEDULE 1
REVENUE PROJECTION

	YEARS				
Sales	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	1,750,000	1,837,500	1,929,375	32,025,844	2,127,136
	1,750,000	1,837,500	1,929,375	2,025,844	2,127,136

SCHEDULE 2

OTHER OPERATING COST

Other Operations Cost	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Motor Vehicle running expens	8,000	8,400	8,820	9,261	9,724
Salaries and Wages	378,000	396,900	416,745	437,582	459,461
Depreciation	381,000	381,000	381,000	381,000	381,000
Administrative Overhead Costs	105,000	110,250	115,763	121,551	127,628
Marketing Costs	26,250	27,653	28,941	30,388	31,907
Utility Costs	24,500	25,725	27,011	28,362	29,780
Insurance	49,000	51,450	54,023	54,023	54,023
Interest on Loan	18,200	18,200	18,200	18,200	18,200
Communication Exepnses	1,750	1,838	1,929	1,929	1,929
Total Costs	991,700	1,021,325	1,052,431	1,082,295	1,113,652

SCHEDULE 3

COST STRUCTUR		AMOUNTS USD	
PARTICULAR			
Land and Buildings		1,300,000	
Plant & Machinery & Equipments		900,000	
Motor Vehicles		200,000	
Furniture & Fixtures		50,000	
Pre Expenses		30,000	
Others		20,000	
Working Capital		100,000	
TOTAL		2,600,000	

SCHEDULE 4

FIXED ASSETS SCHEDULE

NAME OF ASSETS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	1,300,000	1,262,000	1,222,000	1,183,000	1,144,000
Plant & Machinery /Equipment	900,000	603,000	306,000	9,000	288,000
Motor Vehicle	200,000	160,000	120,000	80,000	40,000
Furniture & Fixtures	50,000	45,000	40,000	35,000	30,000
Total	2,450,000	2,069,000	1,688,000	1,307,000	926,000
Depreciation	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Land and Buildings	39,000	39,000	39,000	39,000	39,000
Machinery, Tools & Equipment	297,000	297,000	297,000	297,000	297,000
Motor Vehicles	40,000	40,000	40,000	40,000	40,000
Furniture & Fixtures	5,000	5,000	5,000	5,000	5,000
ANNUAL DEPRECIATION	381,000	381,000	381,000	381,000	381,000
CLOSING FIXED ASSETS	2,069,000	1,688,000	1,307,000	926,000	544,000

REVENUE PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Revenue	1,750,000	1,837,500	1,929,375	2,025,844	2,127,136

PROFIT PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Profit After Tax	40,810	56,823	73,636	93,248	113,140

CASH FLOW PROJECTION

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cash flow at the end	406,100	684,700	979,050	1,292,735	1,625,722
of the Year					

SCHEDULE 5

SALARIES & WAGES

NO	EMPLOYEE DESIGNATION	NO	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2500	2500	30,000
2	Production Manager	1	2000	2000	24,000
3	Marketing Manager	1	2000	2000	24,000
4	Chief Accountant	1	2000	2000	24,000
5	Assistant Accountants	2	1000	2000	24,000
6	Machine Operations & Technicians	12	700	8400	100,800
7	Other technical	8	700	5600	67,200
8	Stores Officers	4	700	2800	33,600
9	Drivers	5	400	2000	24,000
10	Secretary	3	400	1200	14,400
11	Office Attendants	2	200	400	4,800
12	Security Guards	3	200	600	7,200
		43,00	12,800.00	31,500.00	378,000.00



TIC Evaluation Report

Name of the Company
Flying Horse International Logistics Co. Ltd.

Post Box	Kiwalani, Guru Engineer Ro. Plot No. 4 Block A	COI Number	98079-01	Contact	Mr. Akilei
Post Office	20232	COI Date	25/03/2013	Designation	Company Secretary
Region	Dar Es Salaam	Application F. No	10971	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0715 025614
		Sub Sector	Steel Roof Tiles	Fax	0
		File No	042425	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Block	Plot No. 4 Block A, Guru Engineer	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Kiwalani	0.78	0	1.82	0
District	Temeke				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	1.3
Quanjin Pan	Chinese	20	Plant	0.9
Weiqliang Xu	Chinese	80	Vehicles	0.2
			Furniture & Fittings	0.05
			Pre-expenses	0.03
			Others	0.02
			Working Capital	0.1
			Total	2.6

Employment	43	Evaluated By	wf officer3
Capacity	100000 tiles/annum	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

Description

To establish a steel roof tiles manufacturing project

Recommendations

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

Decision

Approved as recommended.
ababwih
Ag EdD
17/4/2013

TICC/PP.10/042368/3

23rd April, 2013

Managing Director,
Flying Horse International Logistics Co. Ltd.,
P.O. Box 20232,
DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF STEEL ROOFING TILES MANUFACTURING PROJECT

We wish to acknowledge receipt of your project proposal to establish a steel roof tiles manufacturing project as presented in the TIC P.A. 1 Form No. 10971 and Feasibility Study with a projected investment of USD 2.6m.

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. In order to enable TIC prepare your Certificate of Incentives, You will be required to submit the following:-

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act, 1997.
- Certified document showing evidence of Land ownership for the location of the project.

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:-

TICC/PP.10/042425/3

23rd April, 2013

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

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

Yours sincerely,

TANZANIA INVESTMENT CENTRE


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



00219939

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042425

No:

This is to certify that

FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD

P.O. BOX 20232

of address

DAR ES SALAAMY

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

FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD

PLOT NO. 4 BLOCK A, KIWALANI AREA

Which is located at

TEMEKE - 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 31ST 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

Shareholders	Nationality	Shareholding (%)
<u>Weiqliang Xu</u>	<u>Chinese</u>	<u>80</u>
<u>Quanjing Pan</u>	<u>Chinese</u>	<u>20</u>
2. Proposed Activities: To establish a steel tiles manufacturing project
3. Sector: Manufacturing Subsector: Steel Roof Tiles
4. Investment cost: Foreign USD 2.6m. Local - Total USD 2.6m.
5. Project Financing:
Equity: USD 0.78m. Loans: USD 1.82m. Total: USD 2.6m.
6. Source, terms and conditions of loan:
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>USD 2.6m.</u>	<u>-</u>	<u>USD 2.6m.</u>
8. Technology Agreement: None
9. Date of TIC Registration: 23rd 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



00219939

Original
17/6/2013

For: Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042425

No:

This is to certify that

FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD

P.O. BOX 20232

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FLYING HORSE INTERNATIONAL LOGISTICS CO. LTD

PLOT NO. 4 BLOCK A, KIWALANI AREA

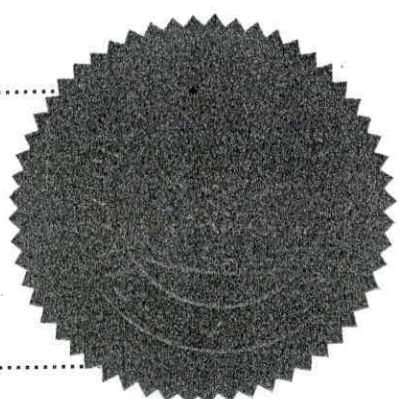
Which is located at

TEMEKE - 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 31ST MAY 2013

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Equity: USD 0.78m. Loans: USD 1.82m. Total: USD 2.6m.
6. Source, terms and conditions of loan:
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	<u>USD 2.6m.</u>	<u>-</u>	<u>USD 2.6m.</u>
8. Technology Agreement: None
9. Date of TIC Registration: 23rd 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
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(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

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED
LIST OF MATERIALS FOR EXEMPTION

NO:	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE No:	EXEMPTION DATE
TRUCKS/TRAILERS								
1.	TRACTOR		5 10	VEHICLE				
2.	FORKLIFT 7 Ton		2	TRAILER				
3.	FORKLIFT 10 Ton		2	TRAILER				
4.	TRACTOR SEMI TRAILOR		5 60	VEHICLE				
5.	FLAT BED SEMI TRAILOR		5 60	VEHICLE				
6.	SUV X		X	VEHICLE				
WORKSHOP EQUIPMENTS								
1.	GALVANIZED STEEL COIL X	TON	500	EQUIPMENT				
2.	GALVANIZED STEEL COIL X	TON	500	EQUIPMENT				
3.	PAINTED STEEL COIL X	TON	500	EQUIPMENT				
4.	PAINTED STEEL COIL X	TON	500	EQUIPMENT				
11.	GENERATORS		2	EQUIPMENT				

FLYING HORSE INTERNATIONAL LOGISTICS CO. LIMITED
LIST OF MATERIALS FOR EXEMPTION

NO:	ITEM NAME	UNIT MEASUREMENT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE No:	EXEMPTION DATE
TRUCKS/TRAILERS								
1.	TRACTOR	}	10	VEHICLE				
2.	FORKLIFT 7 Ton		2	TRAILER				
3.	FORKLIFT 10 Ton		2	TRAILER				
4.	TRACTOR SEMI TRAILOR	}	60	VEHICLE				
5.	FLAT BED SEMI TRAILOR		60	VEHICLE				
6.	SUV X		8	VEHICLE				
WORKSHOP EQUIPMENTS								
1.	GALVANIZED STEEL COIL X	TON	500	EQUIPMENT				
2.	GALVANIZED STEEL COIL X	TON	500	EQUIPMENT				
3.	PAINTED STEEL COIL X	TON	500	EQUIPMENT				
4.	PAINTED STEEL COIL X	TON	500	EQUIPMENT				
11.	GENERATORS		2	EQUIPMENT				

TIC

40

**FLYING HORSE INTERNATIONAL
LOGISTICS CO. LIMITED**

P O Box 20232
DAR ES SALAAM

Ref.No: FHILC/TIC/06/2013

28th June 2013

Commissioner of Customs & Excise
Tanzania Revenue Centre,
P.O. Box 9053,
DAR ES SALAAM

UFS
Executive Director,
Tanzania Investment Centre,
P.o. Box 938,
DAR ES SALAAM



Dear Sir,

**RE: DUTY & VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL
GOODS FOR CERTIFICATE OF INCENTIVES NO: 042425**

We are Tic approved project with certificate of incentives No 04242 Which is valid up to April 2016

The Company has been registered with objectives of manufacturing steel tiles..

Attached herewith please find a list of Capital/ Deemed Capital Goods for Duty/ VAT exemption approved.

Yours sincerely


.....
WEIQIANG XU

TICC/PP.10/042425/5

05/07/2013

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

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 042425**

M/S Flying Horse International Logistics Co. Limited is a TIC registered company with certificate of incentives **No. 042425** which is valid up to **March 2016**

The company has been registered with objectives of establishing a steel roofing tiles manufacturing project.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR