



HOME CRAFT GROUP (I)  
LIMITED

# MINUTE SHEET

Dokezo  
No.

1.0

**EXD**

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1.115 m
- (b) Legal entity has been incorporated under certificate No. 97316 of 20/02/2013

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

Submitted for signature.

  
N. Senzia

DIF

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

2.0

**EXD**

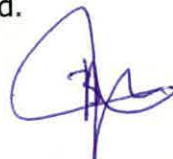
In response to the TIC letter of registration dated 10<sup>th</sup> June 2013

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Equity Bank Ltd
- (c) Lease Agreement on Evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 042463 herein attached.

18/06/2013

  
DIF

3.0.

DIF m2.

I Approve

  
AG EXD

18/6/2013

# MINUTE SHEET

Dokezo  
No.

# HEMOCRAFT GROUP TANZANIA LIMITED

PROPOSED PROJECT FOR IMPREGNATION OF WOODEN POLES

# HEMOCRAFT GROUP TANZANIA LIMITED

PROPOSED PROJECT FOR IMPREGNATION OF WOODEN POLES

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## **1. INTRODUCTION**

### **1.1 FOREWORD**

Impregnated wood poles are used as vertical support for telecommunication and overhead power lines. They are made of lean and round pieces of timber of suitable dimensions.

M/s Homecraft Group Tanzania Limited is proposing to establish facilities for impregnation of wooden poles. The project involves construction of office and factory buildings, acquisition of state of the art plant, machinery and equipment and development of a modern and well equipped distribution network.

In its processing facilities the company will remove the bark and apply the process of impregnation with special chemical substances to provide protection against decay caused by biological agents such as fungi, insects, bacteria and some water animals. Impregnated wood poles are usually installed directly in the ground or on a concrete foundation.

Recognition of market needs and demands will be the hallmark of the anticipated success in the company's pole processing operations. The project will be properly developed using leading edge technology to enable Homecraft Group Tanzania Limited enjoy rapid expansion in all target markets as more and more consumers continue to appreciate the benefits of its products. The company has developed capability to produce products to suit its target market. To achieve project objectives, Homecraft Group Tanzania Limited has:

- Worked towards creating and maintaining a very strong brand image. The company looks at the opportunity of creating unique bundle of associations to the company's products within the minds of target customers.
- Secured capital for this venture. Establishment of the poles impregnation project is relatively capital intensive, and major expenses to be incurred early on include the cost of buying plant , machinery and equipment, utility vehicles, construction of office and factory buildings, and purchasing an initial inventory of raw materials.

It is expected that innovative design and consistency in poles impregnation process will earn the company's products an international reputation for excellence. Development of specialised technology is expected to contribute in positioning the company as leader in wooden poles treatment. All operations will have latest international standard accreditation, reassuring customers of products designed to meet their needs and produced to consistently high quality standards.

Promoters of Homecraft Group Tanzania Limited have enjoyed a proud history and the future looks even brighter for the proposed project. The following are reasons why one should select the company's products

- Strong Foundations:

A strict code of professionalism, quality and service will place the company at the top of other wooden pole impregnators, and its reputation will be steadily extended through the obvious satisfaction of customers.

- Strong On Quality:

The company will produce impregnated wooden poles. Its products will be of superb quality. The factory will maintain high quality standards certified to universally recognized criteria.

## 1.2 MISSION STATEMENT

The company is establishing operations in the wooden pole treatment sub sector operating as an innovative, creative, conservative and aggressive provider of high quality products and services. The company looks forward to offering unparalleled quality service and value for its products and services.

## 1.3 OBJECTIVE OF STUDY

The purpose of this document is to work out the technical and commercial details and the financial viability for the proposed wooden pole treatment facilities.

## 1.4 PROJECT PROMOTERS

The following sponsors are promoting the proposed project. Directors (shareholders) are namely:

S/N	NAME OF SHAREHOLDER	NATIONALITY	NO. OF SHARES
1.	Kariuki Josphat Munyua	Kenyan	50%
2.	Edward Magero	Kenyan	50%

## 1.5 ECONOMIC BENEFITS

The promoters' mission is to contribute maximum benefits to the society and economy at large. They will create a good livelihood for their employees and their families. They will have strong tax generation capabilities as their enterprise believes that, if there is more national development & government spending, then there will be even a bigger market for their products. This in turn will bring the nation's living and social standards on par with the world at large.

After initial start up and settling well in the market, the company will seek to export to neighbouring countries and further promote tax generation and make the industry competitive in East Africa

## 1.6 STUDY LAYOUT

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

Chapter One	-Introduction
Chapter Two	-Executive Summary
Chapter Three	-Market and Marketing
Chapter Four	-Manufacturing Sector in Tanzania
Chapter Five	-Production Technology
Chapter Six	-Machinery and Equipment
Chapter Seven	- Manpower and Plant Organization
Chapter Eight	- Investment and Financing
Chapter Nine	- Financial Analysis
Chapter Ten	- Economic Benefits
Chapter Eleven	- Conclusion and Recommendations

## **2. EXECUTIVE SUMMARY**

### **2.1 INTRODUCTION**

The Study examines the possibility of establishing wooden pole impregnation facilities. A techno-economic evaluation has been carried out to determine the feasibility of this project.

### **2.2 MARKET AND MARKETING ASPECTS**

The market survey carried out reveals that the current demand impregnated poles is higher than prevailing supply. The company will mainly export such poles to Kenya and supply Kenya Power and Lighting Limited as well as the country's Rural Electrification Authority. In Tanzania the firm plans to supply treated wooden poles to Tanzania Electric Supply Company Limited and Rural Electrification Agency of Tanzania. There is wide gap between supply and demand of impregnated wooden poles and business opportunity exists for setting up additional facilities to satisfy the market requirement.

### **2.3 PROCESS AND TECHNOLOGY**

Chromated Copper Arsenate, or CCA, is a chemical preservative which gives utility poles durability by rendering the wood fiber useless as a food source for fungi and termites. Treated poles are protected by an oxide formulation of CCA Type C. It is a mixture of stable metallic oxides which, on contact with wood fibers, forms insoluble precipitates in the wood cells. Once these precipitates become fixed in the wood, they do not migrate or evaporate. The treated poles are highly leach-resistant. The preservative provides optimal reactivity and fixation without leaving unwanted, corrosive by-products on the surface of the pole.

The method of treatment begins with introduction of said poles to be treated in an autoclave. The next step is connecting the internal volume of said autoclave to a vacuum pump and creating a relative vacuum within said autoclave. After this step a solution containing the treatment substances is introduced into said autoclave. Thereafter, the internal volume of said autoclave is connected to a high-pressure pump and pressurizing the inside of said autoclave. Then, discharging said solution from said autoclave follows after which internal volume of said autoclave is connected to a vacuum pump and creating a relative vacuum within said autoclave. Then the autoclave is brought to atmospheric pressure. It is important to note that the method of treatment characterized in that said autoclave operates in conditions of vacuum of up to -700 mm Hg and in conditions of pressure of up to 15 atm.

Finally impregnated wood materials are removed from the autoclave and are stacked on a concrete platform in the finished product warehouse where samples are taken to verify impregnating material penetration. If the impregnation proves to be effective, the poles are certified ready for shipment to clients.

## 2.4 QUALITY CONTROL

Quality control is a process that is used to ensure a certain level of quality in a product or service. It might include whatever actions a business deems necessary to provide for the control and verification of certain characteristics of a product or service. Most often, it involves thoroughly examining and testing the quality of products or the results of services. The basic goal of this process is to ensure that the products or services that are provided meet specific requirements and characteristics, such as being dependable, satisfactory, safe and fiscally sound.

Companies that engage in quality control typically have a team of workers who focus on testing a certain number of products or observing services being done. The products or services that are examined are usually chosen at random. The goal of the quality control team is to identify products or services that do not meet a company's specified standards of quality. If a problem is identified, the job of a quality control team or professional might involve stopping production or service until the problem has been corrected. Depending on the particular service or product as well as the type of problem identified, production or services might not cease entirely.

In this regard, quality will be the nucleus of company operations and Homecraft Group Tanzania Limited has resolved not to compromise this crucial aspect at any cost. It expects to incorporate a strict quality management system, which will be responsible for keeping the entire business proceeding under a strict vigil. The products will undergo strict quality check at each level. A variety of measures will be taken to ensure that all treated poles meet specifications based on international standards. Similarly, sourcing of materials will be done with great care to ensure that the best materials are used in the impregnation process.

## 2.5 BYPRODUCTS/WASTE

The by products from impregnation process will either be recycled for further use or will be collected and sent out of the factory for proper disposal to ensure that no harm is done to the environment.

Using more efficient manufacturing processes and better materials will generally reduce the production of waste. The application of waste minimization techniques is expected to lead to the development of innovative and commercially successful replacement products.

Waste minimization will however require investment, which will be compensated by the savings. The project promoters understand that waste reduction in one part of the shoe manufacturing process may create waste production in another part and are prepared to face this challenge.

## 2.6 PRODUCTION INPUT

Wooden poles sourced from nearby government forest as well as from forestry projects operated privately constitute major production input. Major wood species include pine, spruce, oak and poplar. Onsite state of the art high capacity treatment plants ensure that the poles are properly chemically treated, guaranteeing them a long life. For impregnation of poles, a special chemical substance called Tanalith E is used. This chemical substance is in the aggregation as paste consisting of the basic chemical elements of copper and boron with additions. This is sometimes referred to as chromated copper arsenate (CCA) based preservative. Alternatively, creosote may be used as an impregnation agent.

## 2.7 LOCATION

The project location will be at plot no.64, Kinyanambo C Area- Mafinga, Mufindi District, Iringa Region. This is the current head office of Homecraft Group Tanzania Limited and the location of all project pole treatment operations, materials storage, stockyard and company offices.

## 2.8 MANPOWER REQUIREMENTS

The project will comprise of a total work force of 19 permanent as well as part time employees. Maximum employment will be given to the local work force. The plant will be organized into three functions namely:

Production and Technical Services

Marketing

Finance and administration

## 2.9 IMPLEMENTATION

The project is planned to undergo two phases:

**Phase I:** Major activities involved include registration of the project and approvals by the Tanzania Investment Centre (TIC), and mobilization of funds from sponsors. Other activities include identification of appropriate production technology, sourcing of machinery and equipment, construction of factory buildings, staff recruitment and training of core personnel.

**Phase II:** The second phase will involve commencement of wooden poles impregnation operations which is envisaged to start in the third quarter of year 2013.

## 2.10 PROJECT ECONOMICS

### 2.10.1 Capital Investment Requirements

PARTICULAR	LOCAL USD	FOREIGN USD	TOTAL USD
Land and Buildings	-	100,000	100,000
Plant, Machinery & Equipment	-	350,000	350,000
Motor Vehicles	-	475,000	475,000
Furniture & Fittings	-	0	0
Pre expenses	-	40,000	40,000
Others	-	20,000	20,000
Working Capital	-	130,000	130,000
TOTAL	-	1,115,000	1,115,000

### 2.10.2 Expenditure and Profitability

The major expenditure item is the purchase of various raw materials used in the wooden poles treatment operations. Project revenue will accrue from sales of treated wooden poles. Total revenue from this project will increase from USD 6,048,000 in the first

year of operation to USD 7,351,382 in the fifth year. Trend for this growth in revenue is shown in the following summary.

REVENUE PROJECTION					
PRODUCTS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Impregnated Poles	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382
	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382

## 2.11 RECOMMENDATIONS

The study shows the establishment by M/s Homecraft Group Tanzania Limited of facilities for treatment of wooden poles 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.

### 3. MARKET AND MARKETING

Utility poles are an important export item. Homecraft Group Tanzania Limited targets the Kenyan export market. Kenya is the main market by far, the market share ranging between 55% and 98% of exports. Kenya, according to Tanzania Revenue Authority reports is importing between 50,000 and 150,000 poles annually from Tanzania.

In the poles sector there are also numerous smaller operators as the business has been lucrative. Sourcing is in most cases done on village level, only purchasing a few raw poles at a time. The poles are then often treated in the local facilities and sold to larger operators. The largest treatment plants are listed hereunder and they all operate proper equipment. The installed capacity is estimated at 350,000 poles annually.

S/N	Name of Company	Region	Capacity
1	Sheda	Mafinga Area-Mufindi District, Iringa	15,000
2	Tanscan	Mafinga Area-Mufindi District, Iringa	15,000
3	Sao Hill Industries	Mafinga Area-Mufindi District, Iringa	160,000
4	Tanwat	Njombe District, Njombe	40,000
5	Lesheya	Nyololo Area-Mufindi District, Iringa	30,000
6	MWPT	Mufindi District, Iringa	70,000
7	Mwijage	Makambako Area-Mufindi District, Iringa	15,000

#### 3.1 PRODUCT

Homecraft Group Tanzania Limited will impregnate and market quality wooden poles. Its technical team will comprise experts well versed in pole impregnation. Homecraft Group Tanzania Limited is creating capability of producing high quality poles. Its

factory will be compliant to the highest level of quality standards and timeline assurance in the business.

### 3.2 RECENT DEVELOPMENTS

Homecraft Group Tanzania Limited has identified three priority areas for itself: customer relationship development, up gradation of supply channels and value-added services. To resolve customer grievances the company will develop an all-inclusive software that will enable the company to electronically capture customer feedback and promptly address complaints. As an added empowerment, customers will also be encouraged to register their feedback and suggestions throughout the distribution network.

### 3.3 PROMOTION

Homecraft Group Tanzania Limited will conduct periodic training at regular intervals to educate Tanzanians on benefits of treated poles and how their usage can result in promotion of economic growth. The Homecraft Group Tanzania Limited treated wooden poles brand will be an iconic symbol which will make a difference to clients. As an exercise in social marketing, the company will take prime time commercial space on television and radio and use several special-interest newspapers and magazines to educate readers on all aspects treated poles usage.

### 3.4 BRAND VALUES

Homecraft Group Tanzania Limited expects to bring to the market treated poles of the highest quality in the country. Its reputation will be built on the bedrock of trust that the company will develop with users of its products. Its multipronged platform of safety, convenience and reliability will be an integral part of the brand's growth and success.

## **4. MANUFACTURING SECTOR IN TANZANIA**

### **4.1 INTRODUCTION**

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

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

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

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

## 4.2 IMPORTANCE OF THE SECTOR AND PERFORMANCE

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

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

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

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

## 4.3 EXPORT DEVELOPMENT

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

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

## 4.4 MAJOR PRODUCTION AND INDUSTRIAL UNITS

### *4.4.1 Food, Beverages and Tobacco*

The food manufacturing in Tanzania include manufacturing of dairy products, canning and preserving of fruits and vegetables, canning fish and similar foods, manufacture of animal and vegetable oils, grain milling, baking, sugar and confectionery as well as prepared animal feeds. The beverages include the distilling and blending of spirits;

manufacture of wines, cider and beer; production of soft drinks and carbonated waters and the bottling of natural spring and minerals waters. The tobacco subsector comprises manufacturing of cigarettes, tobacco and other tobacco production.

#### *4.4.2. Textiles, Clothing, Leather and Footwear*

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

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

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

#### *4.4.4 Paper and Paper Products*

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

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

The chemical subsector comprises the manufacture of basic industrial chemicals, fertilizers, pesticides, plastic materials and products, medicinal and pharmaceuticals, soap, detergents, perfumes and other cosmetics, paints and other chemical products. While the petroleum subsector comprise of petroleum refineries, fuel oils, lubricating oils and manufacture of asphalt materials.

Rubber products produced in the country include tyres and tubes conveyors and fan belts, rubber mats, groves, pipes and tanks, plastic sheets, kitchenware, furniture and footwear.

#### *4.4.6 Non-metallic Mineral Products*

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

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

#### *4.4.7 Basic Metal Products*

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

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

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

#### *4.4.9 Other Manufacturing Industries*

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

### 4.5 NOTABLE PERFORMANCE OF SOME LOCAL INDUSTRIES

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

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

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

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

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

However production of aluminum declined from 105 tonnes in 2008 to 58 tonnes in 2009, registering a 44.8 % decrease. Production of garments also declined from 7,783,000 square metres in 2008 to 7,913,000 square metres in 2009, a 34.9 % decrease. Other goods whose production declined during the period under review include logs (16.6%), biscuits and spaghetti (1.5%), beers (2 %), cigarettes (4.4%) and iron (13%).

#### 4.6 INVESTMENT OPPORTUNITIES

The priority sectors for investment include the following export-oriented manufacturing operations: Textile and garments; leather processing and leather products; lapidary, including gold, diamonds and gemstones; agro processing; fish processing; wood and wood products; electrical and electronic appliances; and ICT industries.

#### 4.7 POLICIES AND REGULATORY FRAMEWORK

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

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

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

The private sector in its part should take all necessary initiatives to respond and manage challenges of globalization. Firms are challenged to pursue firm strategies which are

geared towards building the necessary capabilities to enable them compete in the world market.

#### 4.8 INDUSTRIAL SUPPORT ORGANISATIONS

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

#### 4.9 CHALLENGES FACING THE MANUFACTURING SECTOR

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

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

## **5. PRODUCTION PROCESS AND TECHNOLOGY**

### **5.1 BASIC PRODUCTION PROCESS**

#### *5.1.1 Debarking & Classification*

The process begins with poles debarking and inspection at source after purchase of raw wooden poles. Poles are graded into sizes and stacked accordingly for partial seasoning

#### *5.1.2 Drying*

At Homecraft Group Tanzania Limited timber is naturally dried by air. This process may take longer, but it is the only way to ensure high quality treated timber poles as an end result.

Poles begin drying at source where they are laid out for partial seasoning. Once they have been shipped to site at Kinyanambo they are moisture tested again and laid in graded stacks for further seasoning.

The poles are left for six to twelve months, depending on the size of the individual pole, for the natural drying process to be completed. During this time poles are consistently moisture tested, and are not treated any further until their moisture content is below 28%.

#### *5.1.3 Dressing*

To provide a smooth surface to all poles the outer cambium layer is dressed or peeled with automatic dressing machine. The waste chips stripped from the pole are collected for other uses at the factory.

#### *5.1.4 Fabrication*

Once the poles have dried sufficiently and been dressed they are ready for fabrication. At this stage the poles are hand crafted to meet client's individual specifications and requirements.

#### *5.1.5 Impregnation*

Impregnation using appropriate agents gives timber pole the longest life span possible and protection from harsh conditions. Pressure treated poles provide a minimum desired service life of forty years, but may last considerably longer.

Poles are pressure treated in company impregnation vessels. Having these resources means the company able to get large orders treated quickly and efficiently, meaning your order gets to you faster. During impregnation the charge is loaded and vessel door is closed. Initial vacuum is thirty minutes or pressure of up to six hundred millimeters of mercury and flooding is done for five to seven minutes while holding vacuum. For this process impregnating pressure is applied until twenty kilogrammes per cubic meter for one to two hours and preservative is returned for fifteen to twenty minutes. Final vacuum is done for ten minutes to remove preservative on the surface & avoid excessive dripping. Finally load is discharged.

After pressure treatment poles are again left to dry before being dispatched to support the nation's telecommunications and power lines as well as for export markets.

## 5.2 ENVIRONMENT PROTECTION

With a conscious mind, the company will undertake eco-friendly manufacturing processes and make sure that less effluent and smoke are released. It will take the

following three concerns seriously as defined by some of the well-known regulatory bodies.

- Reduction in hazardous environmental release
- Recycling of waste products
- Use of environmentally preferable products

For this, it will source some of the latest and high performing machines for its factory.

The factory surroundings will be kept clean and trees are to be planted as part of environment conservation efforts.

## 6. MACHINERY, EQUIPMENT AND CIVIL WORKS

### 6.1 MACHINERY

Wooden poles impregnation process will involve the use of various machinery and equipment. State of the art technology is to be used. Already promoters of this project are negotiating with suppliers of such machinery to facilitate supply, installation, testing and commissioning to commence production. Machine line consists of the following basic plants:

#### 6.1.1 *Stirring tank*

The tank is used for preparation of a homogeneous solution from impregnation substance and water. It allows complete stirring also at the bottom of the bath.

#### 6.1.2 *Preparation tank*

The preparation tank will have a volume sufficient to prepare impregnation solution, the required concentration and implementation of one impregnation process.

#### 6.1.3 *Measuring tank*

This tank allows measuring of the quantity of the absorbed impregnation solution in the impregnation process.

#### 6.1.4 *Pressure chamber*

The pressure chamber will be capable of holding working pressure and vacuum (chamber length 24 m, chamber diameter 1.80 m).

#### 6.1.5 *Pressure pump*

This will be a pressure pump which allows eight to nine bar pressure generated in the pressure chamber.

#### 6.1.6 *Vacuum pump*

Vacuum pump referred here will allow min. 0.9 bar under pressure generated in the chamber. It is also used for transport of impregnation solution from one tank into another one.

### *6.1.7 Logger Machine*

This is purpose-built forestry equipment for felling, transporting, processing and loading tree-length and cut-to-length timber.

## 6.2 PLANT LOCATION AND CIVIL WORKS

### 6.2.1 Site and Location

As mentioned earlier, the project location will be at plot no.64, Kinyanambo C Area- Mafinga, Iringa. This will be the location of company pole treatment operations and it has an area that contains all impregnation operations, materials storage, stockyard and office space

### 6.2.2 Production Buildings Required

The buildings to accommodate pole treatment operations will have ample space. Storage facilities also exist for raw as well as impregnated poles ready for onward delivery to company customers.

### 6.2.3 Office Buildings

An office block accommodating all clerical and administrative staff exists within the premises.

## 6.3 UTILITY SERVICES

### 6.3.1 Water

A three-inch diameter pipeline to project location from the main pipeline will be installed. A water reservoir will be constructed and will store water for use when required during emergencies.

### 6.3.2 Electricity

The Tanzania Electric Supply Company Ltd. (TANESCO) provides electricity to the factory site from the national grid to facilitate smooth production. Additional standby power generators are to be acquired to supply electricity in case there is failure by power utility company to supply required electricity.

## **7 MANPOWER AND ORGANIZATION**

Human resource management is the function within an organization that focuses on recruitment of, management, and providing direction for the people who work in the organization. This is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human resource development function at Homecraft Group Tanzania Limited is responsible for helping employees develop their personal and organizational skills, knowledge, and abilities. It includes such opportunities as employee training, employee career development, performance management and development, coaching, mentoring, succession planning, key employee identification, tuition assistance and organization development.

The focus of all aspects of human resource development is on developing the most superior workforce so that the organization and individual employees can accomplish their work goals in service to customers.

Human resource development efforts at Homecraft Group Tanzania Limited may be formal such as in classroom training, college courses, or organizational planned change effort. Such development effort may alternatively be informal as in employee coaching by a manager.

The proposed establishment of poles impregnation project by M/s Homecraft Group Tanzania Limited will have three independent departments, namely:

- Production and Technical Services
- Sales and Marketing
- Administration and Finance

## 7.1 ORGANIZATION

The Board of Directors of Homecraft Group Tanzania Limited shall manage the project at policy level. The top most officer in the day to day running of the company will be the Managing Director. Under the Managing Director's office will be the three departments mentioned above. Each department will be under a manager and will comprise a number of sections each headed by a section head as follows.

### Production & Technical Services Department:

- Pole Impregnation Section
- Raw Materials Stores
- Quality Control section
- Research and Development section
- Repair / Maintenance section

### Sales & Marketing Department:

- Marketing Section
- Sales and Distribution Section
- Finished Goods Stores
- Procurement and Logistics Section

### Administration & Finance Department:

- Procurement
- Accounts

- Personnel and Administration
- Security

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

The management team will comprise the Managing Director, Production Manager, Finance & Administrative Manager and the Marketing Manager.

## 7.2 RESPONSIBILITIES

Responsibilities will be as follows:

### 7.2.1 Production and Technical Services Department

The Production Manager will head the department. The Manager will be responsible for production planning and overseeing that daily production activities are carried. He will further be responsible for repair and maintenance of company assets and research and development activities.

A quality controller and machine operators will assist the Production Manager execute his duties.

### 7.2.2 Finance and Administration Department

A qualified Finance & Administrative Manager with experience in administrative issues will head the department. He will be responsible for the administration as well as overseeing the financial aspects of the company. The administration and finance department will comprise three sections, namely:

- The personnel and administrative section which will be responsible for the general administrative matters of the company as well as personnel issues.
- The finance section, which will be responsible for financial issues. It will also be responsible for the proper maintenance of books of accounts and financial planning.

- The purchasing section 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.

### 7.2.3 Sales and Marketing Department.

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

## 7.3 MANPOWER REQUIREMENT

The permanent and part time manpower requirement for running the proposed plant is 19, with the breakdown mentioned in attached schedules.

## 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 to familiarize them with the proposed machinery and equipment. The total wage bill per annum will be US\$ 132,000 as shown in attached schedule.

## **8. INVESTMENT AND FINANCING**

There are three good reasons for a company to project financials . These are explained as follows:

- **First, the financial plan translates the company's goals into specific targets**

It clearly defines what a successful outcome entails. The plan isn't merely a prediction; it implies a commitment to making the targeted results happen and establishes milestones for gauging progress.

- **Second, the plan provides the company with a vital feedback-and-control tool**

Variances from projections provide early warning of problems. And when variances occur, the plan can provide a framework for determining the financial impact and the effects of various corrective actions.

- **Third, the plan can anticipate problems.**

If rapid growth creates a cash shortage due to investment in receivables and inventory, the forecast should show this. If next year's projections depend on certain milestones this year, the assumptions should spell this out

### **8.1 ASSUMPTIONS**

The financial projections prepared by Homecraft Group Tanzania Limited to determine the viability of the project are based on the following key assumptions:

- The proposed wooden poles impregnation operations will start from third quarter of the year 2013.
- Most of project output will be sold in the export market during project implementation.
- Financial calculations are based on current market prices and costs are assumed constant throughout the operating period under view on the assumption that if operation costs change, selling prices will change proportionally to preserve the profit margins.
- The project has adopted the currency exchange rate of United States Dollar 1 = Tanzania Shilling 1,620.00.

## 8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$1,115 million as per attached schedules.

## 8.3 BUILDING AND CIVIL WORKS COSTS

This involves construction of factory buildings in which the plant and machinery are to be installed and operated. Other work will involve construction of offices, partitioning, electrification, water supply, installation of overhead tank, etc. This aspect is expected to cost US\$ 100,000

## 8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main machinery for the envisaged project has been explained earlier. The total investment on machinery and equipment is based on a quotation received from suppliers for main pole impregnation machinery and amount of to US\$ 350,000 approximately.

## 8.5 MOTOR VEHICLES

For company work, M/s Homecraft Group Tanzania Limited will procure the following vehicles at total cost of US\$ 250,000:

UNITS	TYPE OF VEHICLE	UNIT PRICE (US\$)	TOTAL COST (US\$)
2	Pick-Up Single Cabin	25,000	75,000
3	Heavy Trucks	100,000	300,000
2	Light Trucks	50,000	100,000
	TOTAL		475,000

## 8.6 PRE-PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start-up expenses, market survey and other overheads before the project becomes operational. A budget of US\$ 40,000 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\$ 130,000. This is mainly for the procurement of initial stocks of raw materials. The 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 shareholder's equity as well as bank loans. It is anticipated that the financing of the project will take the following form.

Equity 20%	Loans 80%
US\$ 223,000	US\$ 892,000

## 9. FINANCIAL ANALYSIS

### 9.1 INCOME AND EXPENDITURE

- Income

The proposed project expects to earn its income through the sale of impregnated wooden poles. At sustainable level of production, the total sales are expected to increase from US\$ 6,048,000 in the first year of production to US\$ 7,351,382 in the fifth year of operation.

REVENUE PROJECTION					
PRODUCTS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Impregnated Poles	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382
	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382

- Expenditure

The various project costs are estimated in this document as summarized in attached schedules.

### 9.2 NET INCOME STATEMENT HIGHLIGHTS

The project generates profit from the first year of operation and can easily meet both its long term and short-term obligations in less than five years.

1 <sup>st</sup> Year	1,033,332.00
2 <sup>nd</sup> Year	1,081,011.00
3 <sup>rd</sup> Year	1,130,283.00
4 <sup>th</sup> Year	1,181,149.00
5 <sup>th</sup> Year	1,232,901.00

### 9.3 CASH FLOW HIGHLIGHTS

The project's cash flow is impressive as the project has positive end of the year cash flow from first to fifth year of operation.

1 <sup>st</sup> Year	1,327,144.00
2 <sup>nd</sup> Year	2,690,306.00
3 <sup>rd</sup> Year	4,111,155.00
4 <sup>th</sup> Year	5,591,335.00
5 <sup>th</sup> Year	7,131,443.00

## **10. ECONOMIC BENEFITS OF THE PROJECT**

### **10.1 EMPLOYMENT**

The establishment of this project by M/s Homecraft Group Tanzania Limited will provide permanent and part time employment to 19 individuals mostly local Tanzanians.

### **10.2 TAXES**

The government will earn revenue from company taxes standing at US\$ 442,856 in the first year of operation. This figure is anticipated to increase to US\$ 528,386 during the fifth year of operation. The same is summarized in the attached schedules.

### **10.3 FOREIGN CURRENCY EARNINGS**

The project will bring in the country foreign currency through company export of the impregnated poles particularly to Kenya during project implementation.

### **10.4 PRODUCTION OF HIGH QUALITY PRODUCTS**

The project will produce high quality impregnated wooden poles as the company will employ state of the art production technology.

## 11. CONCLUSION AND RECOMMENDATIONS

### 11.1 CONCLUSION

In all aspects, the project is feasible, sustainable and beneficial not only to the investors but also to the ultimate consumers and the economy as a whole. M/S Homecraft Group Tanzania Limited is expected to produce high quality treated poles for domestic market as well as export markets.

### 11.2 RECOMMENDATIONS

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect. It is further recommended that an application for TIC Certificate of Investment Incentives be submitted to Tanzania Investment Centre with a view to benefit from investment benefits and protection as statutorily allowed under Tanzania Investment Act, 1997.

HOMECRAFT GROUP TANZANIA LIMITED						
PROJECTED INCOME & EXPENDITURE STATEMENT						
		YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Sales Revenue		6,048,000	6,350,400	6,667,920	7,001,316	7,351,382
Cost of Sales		3,024,000	3,175,200	3,333,960	3,500,658	3,675,691
Gross Profit		3,024,000	3,175,200	3,333,960	3,500,658	3,675,691
Operating Expenses:						
Administrative Expenses:		362,880	381,024	400,075	420,079	441,083
Motor Vehicle running expenses		423,360	444,528	466,754	490,092	514,597
Salaries and wages		132,000	138,600	145,530	152,807	160,447
Pension contribution		13,200	13,860	14,553	15,281	16,045
Depreciation		92,500	92,500	92,500	92,500	92,500
Marketing Costs		241,920	254,016	266,717	280,053	294,055
Bank Interest		19,624	19,624	19,624	19,624	19,624
Utility costs		181,440	199,584	219,542	241,497	265,646
Insurance		44,600	49,060	53,966	59,363	65,299
Communication		36,288	38,102	40,008	42,008	45,108
Total Expenses		1,547,812	1,630,898	1,719,269	1,813,302	1,914,404
Profit before Tax		1,476,188	1,544,302	1,614,691	1,687,356	1,761,287
Tax (30%)		442,856	463,290	484,407	506,207	528,386
Profit After Tax		1,033,332	1,081,011	1,130,283	1,181,149	1,232,901

# HOMECRAFT GROUP TANZANIA LIMITED

## PROJECTED BALANCE SHEET

	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
<u>Fixed Assets</u>					
Long-term Assets	925,000	832,500	740,000	647,500	555,000
Depreciation	92,500	92,500	92,500	92,500	92,500
Total Long-term Assets	832,500	740,000	647,500	555,000	462,500
<u>Current Assets</u>					
Cash	1,327,144	2,690,306	4,111,155	5,591,335	7,131,443
Accounts Receivable	1,512,000	1,587,600	1,666,980	1,750,329	1,837,845
Stock	1,360,800	1,428,840	1,500,282	1,575,296	1,654,061
Total Current Assets	4,199,944	5,706,746	7,278,417	8,916,960	10,623,349
Total Assets	5,032,444	6,446,746	7,925,917	9,471,960	11,085,849
<u>Current Liabilities</u>					
Accounts Payable	2,642,192	2,963,387	3,299,576	3,651,133	4,018,119
Other Current Liabilities	241,920	254,016	266,717	280,053	294,055
Subtotal Current Liabilities	2,884,112	3,217,403	3,566,293	3,931,185	4,312,174
<u>Long-term Liabilities</u>					
Long-term Liabilities	892,000	892,000	892,000	892,000	892,000
Total Liabilities	3,776,112	4,109,403	4,458,293	4,823,185	5,204,174
Net Assets	1,256,332	2,337,343	3,467,626	4,648,775	5,881,676
<u>Capital and Reserves</u>					
Owners Contribution	223,000	223,000	223,000	223,000	223,000
Retained Earnings	1,033,332	2,114,343	3,244,626	4,425,775	5,658,676
Total Capital	1,256,332	2,337,343	3,467,626	4,648,775	5,881,676

HOMECRAFT GROUP TANZANIA LIMITED						
PROJECTED CASHFLOW						
		YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
CASHFLOW FROM OPERATIONS:						
Cash Sales		4,959,360	5,207,328	5,467,694	5,741,079	6,028,133
VAT Receipt		1,088,640	1,143,072	1,200,226	1,260,237	1,323,249
Subtotal Cash Received		6,048,000	6,350,400	6,667,920	7,001,316	7,351,382
Expenditures from Operations:						
Purchases		2,721,600	2,857,680	3,000,564	3,150,592	3,308,122
Additional Cash Spent		1,455,312	1,538,398	1,626,769	1,720,802	1,821,904
VAT payments		544,320	571,536	600,113	630,118	661,624
Interest Expense		19,624	19,624	19,624	19,624	19,624
Subtotal Cash payment		4,740,856	4,987,238	5,247,070	5,521,137	5,811,274
CASH FROM OPERATIONS		1,307,144	1,363,162	1,420,850	1,480,179	1,540,108
CASH FLOW FROM INVESTMENTS:						
Purchase of Assets		- 925,000				
Working capital		- 170,000				
CASH FLOW FROM INVESTMENTS:		- 1,095,000				
CASH FLOW FROM FINANCING:						
Owners Equity		223,000				
Bank loan		892,000				
CASH FLOW FROM FINANCING		1,115,000				
NET CASHFLOW FOR PERIOD		1,327,144	1,363,162	1,420,850	1,480,179	1,540,108
CASHFLOW AT START OF YEAR		-	1,327,144	2,690,306	4,111,155	5,591,335
CASHFLOW AT THE END OF YEAR		1,327,144	2,690,306	4,111,155	5,591,335	7,131,443

# HOMECRAFT GROUP TANZANIA LIMITED

## SCHEDULES AND GRAPHS

SCHEDULE 1					
REVENUE PROJECTION					
PRODUCTS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Impregnated Wooden Poles	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382
	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382

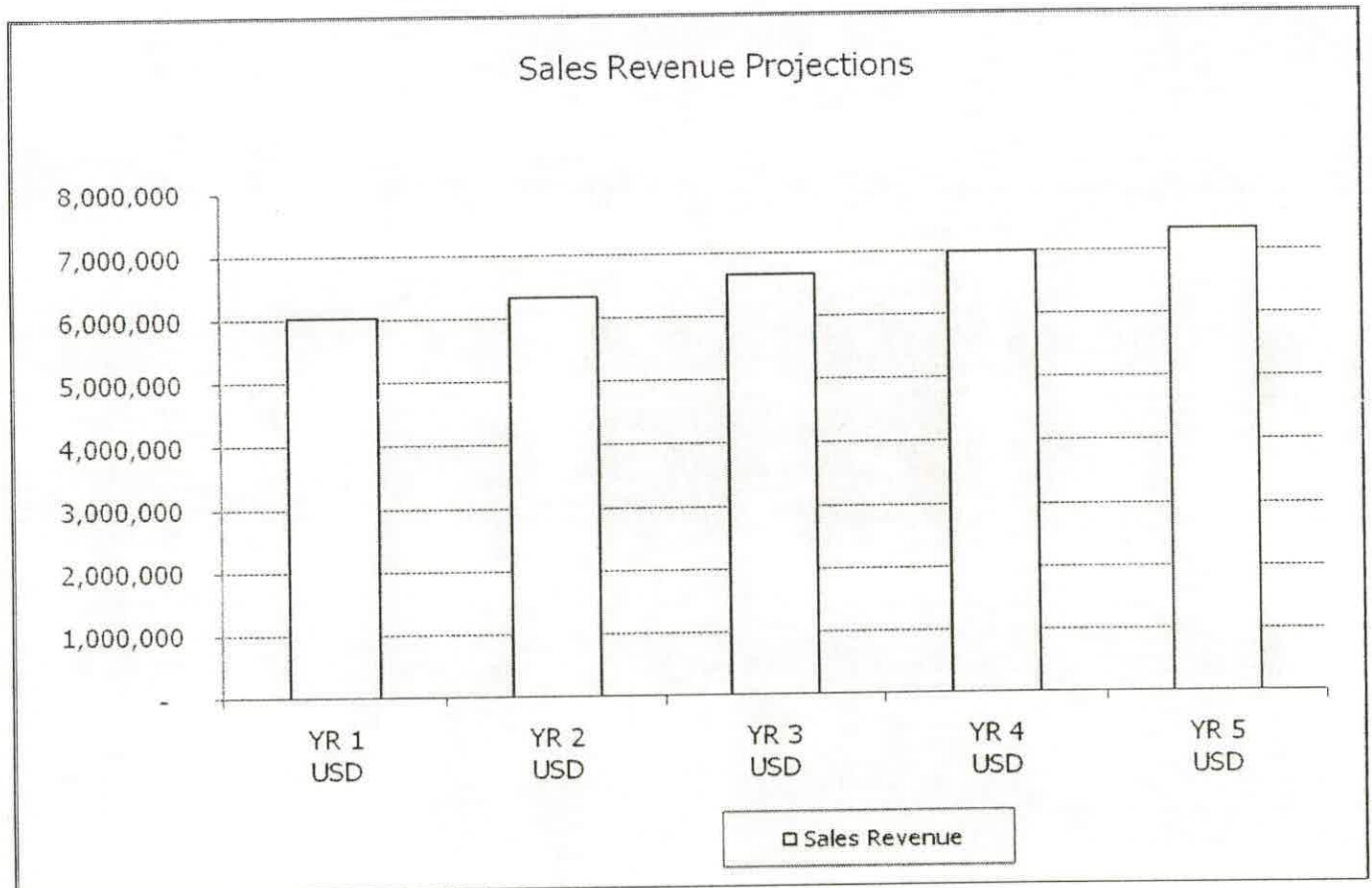
SCHEDULE 2					
OTHER OPERATING COSTS					
OTHER OPERATING COST	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Motor Vehicle Running Expenses	423,360	444,528	466,754	490,092	514,597
Salaries and Wages	132,000	138,600	145,530	152,807	160,447
Pension Contribution	13,200	13,860	14,553	15,281	16,045
Depreciation	92,500	92,500	92,500	92,500	92,500
Administrative Expenses	362,880	381,024	400,075	420,079	441,083
Bank Interest	19,624	19,624	19,624	19,624	19,624
Marketing Costs	241,920	254,016	266,717	280,053	294,055
Utility Costs	181,440	199,584	219,542	241,497	265,646
Insurance	44,600	49,060	53,966	59,363	65,299
Communication	36,288	38,102	40,008	42,008	44,108
Total costs	1,547,812	1,630,898	1,719,269	1,813,302	1,913,404

SCHEDULE 3	
COST STRUCTURE	
PARTICULAR	AMOUNT USD
Land and Buildings	100,000
Plant, Machinery & Equipment	350,000
Motor Vehicles	475,000
Furniture & Fittings	0
Pre expenses	40,000
Others	20,000
Working Capital	130,000
TOTAL	1,115,000

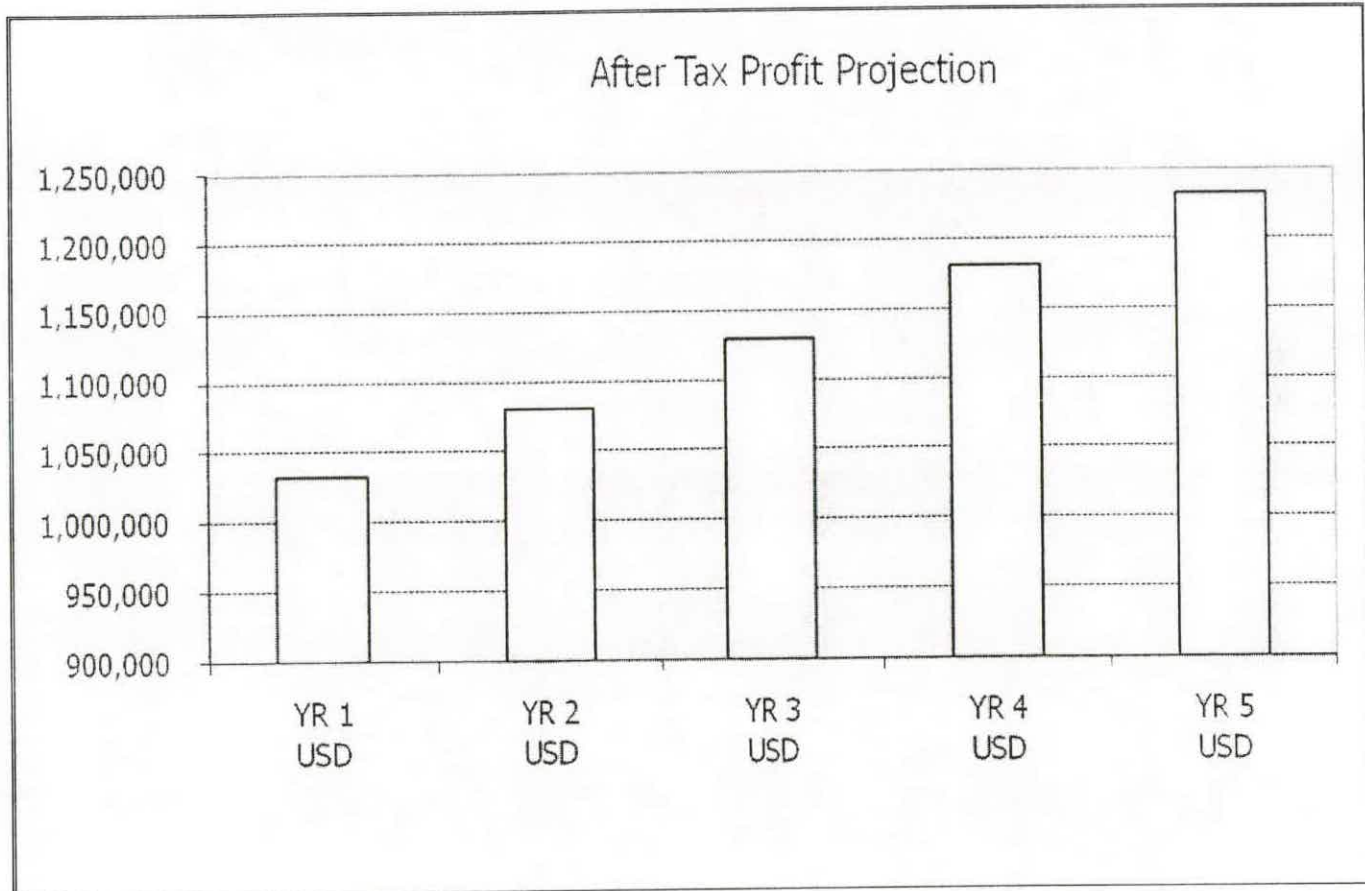
SCHEDULE 4					
FIXED ASSETS SCHEDULE					
NAME OF ASSETS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Land and Buildings	100,000	90,000	80,000	70,000	60,000
Plant & Equipment	350,000	315,000	280,000	245,000	210,000
Motor Vehicles	475,000	427,500	380,000	332,500	285,000
TOTAL	925,000	832,500	740,000	647,500	555,000
DEPRECIATION	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Land and Buildings	10,000	10,000	10,000	10,000	10,000
Plant & Equipment	35,000	35,000	35,000	35,000	35,000
Motor Vehicles	47,500	47,500	47,500	47,500	47,500
ANNUAL DEPRECIATION	92,500	92,500	92,500	92,500	92,500
CLOSING FIXED ASSETS	832,500	740,000	647,500	555,000	462,500

SCHEDULE 5					
SALARIES & WAGES					
NO	DEPARTMENTS/DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2500	2500	30,000
2	Finance and Administration Manager	1	1500	1500	18,000
3	Production Manager	1	1500	1500	18,000
4	Sales and Marketing Manager	1	1500	1500	18,000
5	Officers	2	600	1200	14,400
6	Accountants	1	600	600	7,200
7	Machine Operators	3	250	750	9,000
8	Technicians	2	250	500	6,000
8	Secretary	1	200	200	2,400
9	Drivers	3	150	450	5,400
11	Security Guards	2	100	200	2,400
12	Office Assistant	1	100	100	1,200
	TOTAL USD \$	19	9,250	11,000	132,000

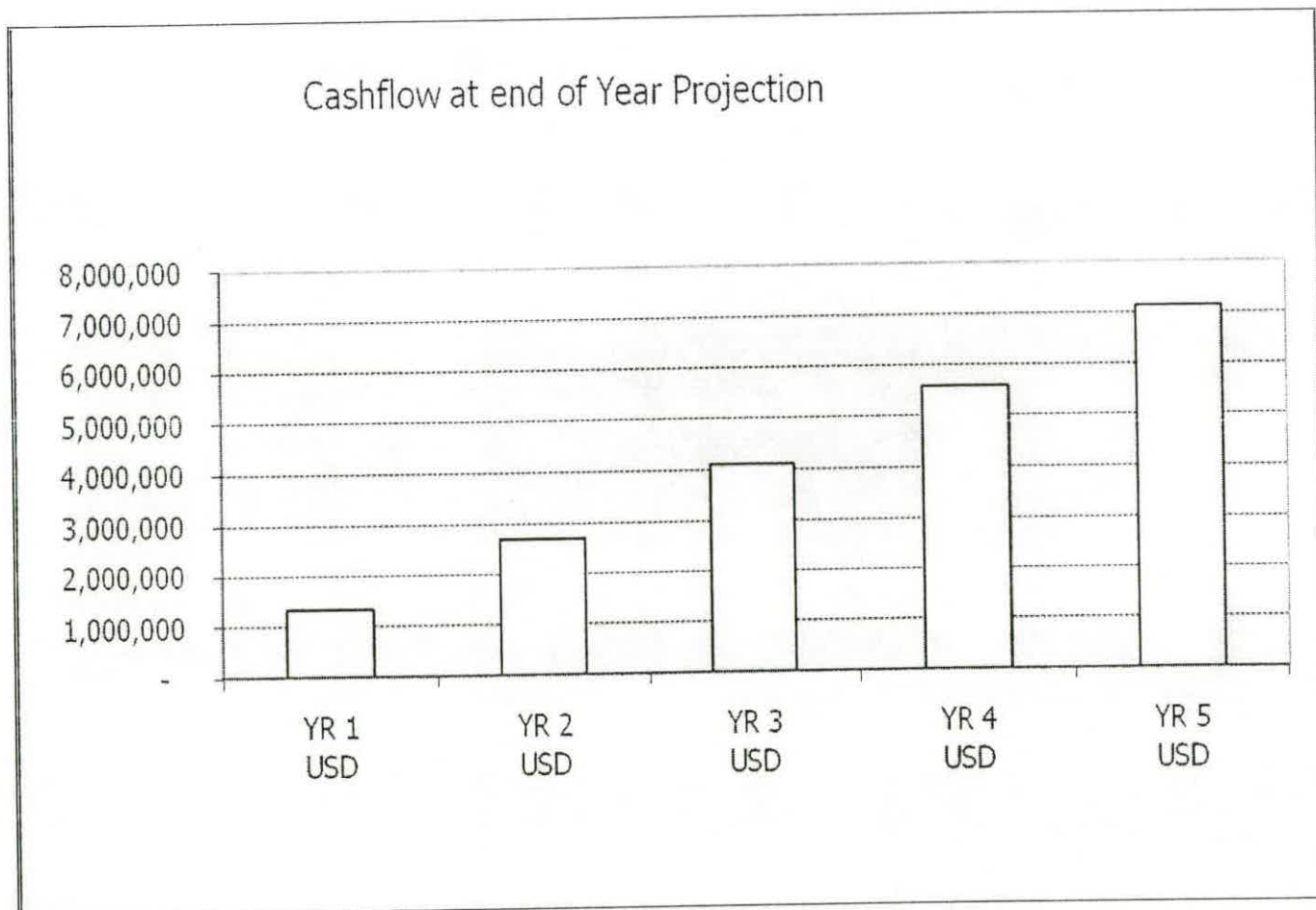
REVENUE PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Sales Revenue	6,048,000	6,350,400	6,667,920	7,001,316	7,351,382



PROFIT PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Profit After Tax	1,033,332	1,081,011	1,130,283	1,181,149	1,232,901



CASH FLOW PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Cash flow at End of Year	1,327,144	2,690,306	4,111,155	5,591,335	7,131,443



# MECRAFT GROUP TANZANIA LIMITED

P.O.Box: 70, Mafinga-Iringa

Date: 30th May 2013

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

Dear Sir,

**RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES**



We plan to establish and operate manufacturing facilities for poles to be located at Plot No. 64, Kinyanambo C Area, Mafinga-Iringa. It is due to this reason that we submit our application for TIC Certificate of Incentives to facilitate smooth execution of this project.

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

1. Duly 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. Company Board Resolution to register with TIC
5. A copy of our Business Plan
6. Evidence of land ownership for location of the project
7. Bank reference letter

Yours' sincerely

**MECRAFT GROUP TANZANIA LIMITED**

  
Kariuki J. Munyua





# TANZANIA INVESTMENT CENTRE

## REGISTRATION FORM

FOR

## CERTIFICATE OF INCENTIVES

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

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

**(Please fill the form in duplicate)**

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We JOSEPHAT MUNYUA KARIUKI  
(director/directors/agent of HOME CRAFT GROUP (TZ) LTD.  
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES  
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at KINYANAMBO C.  
PLOT NO 164. MAFINGA.

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 KINYANAMBO C. Plot no 164

4. The Principal Officers of the Company are JOSEPHAT MUNYUA KARIUKI  
ALEX LEONARD MBEMBATI

5. Auditors of the Company are TBA.

6. The authorized share capital of the Company is Tshs./US\$ 1,000,000,000

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

is Tshs./US\$ 1,115,000 / = USD

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

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, JOSEPHAT MUNYUA ..... of Post Office Number 70 MAFINGA

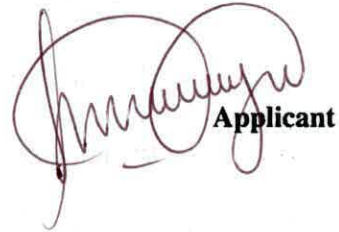
..... do solemnly and sincerely declare that I am a director/duly

authorized agent of HOME CRAFT GROUP TANZANIA 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 3 day of JUNE 2013 }

  
Applicant

Before me:

  
**UPENDO HAJI**  
**ADVOCATE, NOTARY PUBLIC &**  
**COMMISSIONER FOR OATHS**  
10200 DAR-FC-SAT 4 AM  
.....  
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: HOME CRAFT GROUP TANZANIA LTD

Certificate of Incorporation Number: 97316 Status: NEW

Certificate of Incorporation Date: 20/02/2013

Post Box: 70

Town: MAFINGA

Sector: MANUFACTURING

Sub-Sector: WOODEN POLES TREATMENT

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity: USD 223 000 Local Equity: Foreign Loan: USD 892 000 Local Loan:

Project Objectives: TO ESTABLISH A PROJECT FOR IMPREGNATION / TREATMENT OF WOODEN POLES

Capacity: 4500 POLES PER MONTH

Employment: Foreign: 1 Local: 19 Total: 20

Implementation Period: 5 yrs

Project Location

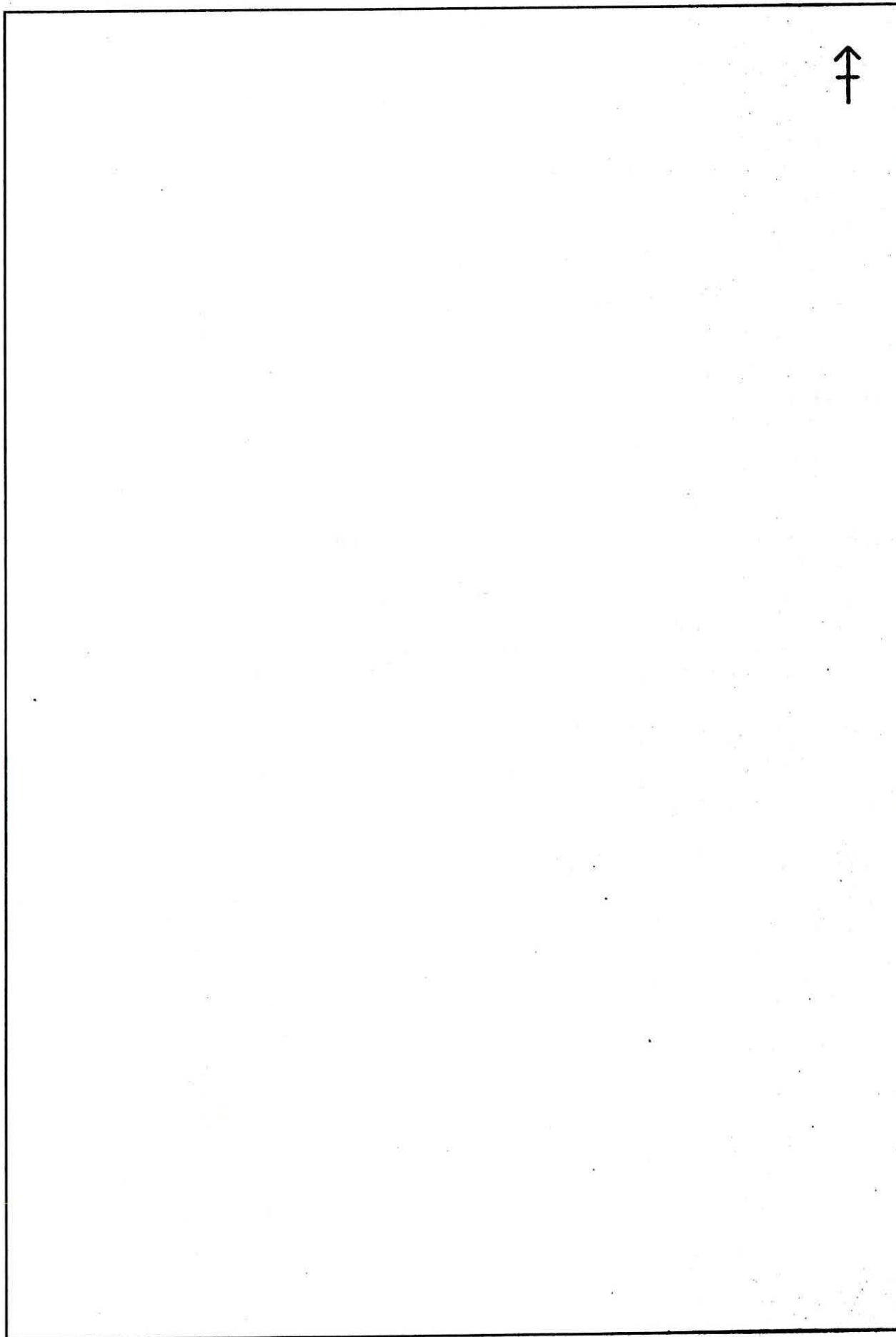
Site/Plot/Block No.: 64

Street: KIUYANAMBO C District: MUFINDA Region: L RINCA

Table with 3 columns: Shareholders, Nationality, %



**SKETCH MAP SHOWING PROJECT LOCATION**





# HEMECRAFT GROUP TANZANIA LIMITED

P.O.Box: 70, Mafinga-Iringa

EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS  
AND SHAREHOLDERS OF

HEMECRAFT GROUP TANZANIA LIMITED

At a duly convened and constituted meeting of the board of directors of Homecraft Group Tanzania Limited held at the registered offices of the company on the 8th day of March 2013, the following resolutions were passed:

1. That the company should establish and operate manufacturing facilities for poles to be located at Plot No 64, Kinyanambo C Area, Mafinga-Iringa.
2. That funds amounting to US\$ 1,115,000 be raised through equity contributions at US\$ 223,000 as well as loans at US\$ 892,000 to facilitate implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified True Extract  
(By order of the Board)



Chairman



Secretary

## LEASE AGREEMENT

1. **THIS DEED** is made this 1<sup>st</sup> day of May, 2013.

### BETWEEN

**ERICK HOFRIK** of Post Office Box Number 70, Mafinga Iringa, Tanzania (hereinafter called "**the Lessor**") which expression shall where the context so admits include his successors, of the first part.

### AND

**HEMOCRAFT GROUP TANZANIA LIMITED** of Post Office Box 70, Mafinga, Iringa, Tanzania (hereinafter called "**the Lessee**") which expression shall include his successors, of the other part.

WHERE AS, the Lessor is the occupier of the Parcel of Land known as plot 64 Mafinga, Iringa.

AND WHEREAS the parties herein are desirous of effecting a lease of five Year in consideration of the rent paid in advance.

PROVIDED that the rent for each contract period shall be paid simultaneously with the execution of this lease.

### 2. **THE LESSOR HEREBY COVENANTS WITH LESSEE AS FOLLOWS:-**

- (a) In consideration of the rent of **TShs. 1,000,000/=** per month paid to him by the Tenant, the Owner hereby demises the land described above
- (b) The rent shall be for a period of one year **from the 01st day of May 2013.**
- (c) The rent shall be in Tanzania Shillings.
- (d) To keep the parcel in good order and condition.
- (e) To peacefully yield up the demised premises at the expiration of the term hereby created or its sooner determination in good and tenantable repair and condition in accordance with the covenants herein contained save only in cases of fair tear and wear, accidental fire and tempest.

3. THE OWNER COVENANTS WITH THE TENANT AS FOLLOWS: -

- (a) To use the demised premises for commercial purpose of production and treatment of poles only.
- (b) To keep the roofs and the main walls of the demised premises, electrical wiring and electrical apparatus comprised in and forming the electrical circuits and the drains, septic tanks and pipes carrying the same to the demised premises in good and tenantable repair and condition.
- (c) To pay land rent and land service charges and all other taxes, levies, outgoings and charges other than water, electricity, and telephone charges payable in respect of the demised premises.
- (d) To permit the **Tenant** paying the rent hereby reserved and performing and observing the covenants and conditions hereby contained or implied and on its part to be performed and observed peacefully and quietly to possess and enjoy the demised premises during the term created without any interruption for or by the **Owner** or any person rightfully claiming from the **Owner** or under him.

4. PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED: -

- (a) That if the **Tenant** shall be desirous of taking a new lease of the demised premises after the expiration of the term hereby created and if such its desire, the **Tenant** shall deliver to the **Owner** notice in writing not less than (1) calendar month before the expiration of the term hereby created and after the expiry of the one month aforesaid, if there shall be no subsisting breach of any of the **Tenant's** obligations under this present lease the **Owner** shall GRANT to the **Tenant** a new lease of the demised premises for a further term of one year on the terms and conditions to be then agreed and at such rent as may be then mutually agreed between the **Owner** and the **Tenant**.
- (b) That all disputes arising out of or relating to the performance of this lease which can not be settled by the mutual agreement of the parties hereto shall be submitted to a single Arbitrator appointed in accordance with the provisions of the Arbitration Ordinance (Cap 15) and the decision of the Arbitrator shall be final and binding upon the parties. Judgment upon the award rendered by the Arbitrator may be entered in any court of competent jurisdiction.

**SIGNED and DELIVERED** by  
**ERICK HOFRIK** who is  
known to me/identified to me by

\_\_\_\_\_ the later being known to me  
personally in my presence this \_\_\_\_\_  
day of \_\_\_\_\_, 2013

  
\_\_\_\_\_  
**OWNER**

Signature : \_\_\_\_\_

Qualification: \_\_\_\_\_

Postal Address : \_\_\_\_\_



**SIGNED and DELIVERED** by the said  
**JOSPHAT MUNYUA KARIUKI** for and on  
behalf of **HEMOCRAFT GROUP TANZANIA  
LIMITED** who is known to me/identified to  
Me by \_\_\_\_\_

the later being known to me  
personally in my presence this \_\_\_\_\_  
day of \_\_\_\_\_, 2013

  
\_\_\_\_\_  
**TENANT**  
**HEMOCRAFT GROUP (T) LTD.**  
**P. O. Box 70**  
**MAFINGA**

Signature : \_\_\_\_\_

Qualification : \_\_\_\_\_

Postal Address : \_\_\_\_\_



30.05.2013

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

Dear Sir\Madam

REF: BANK REFERENCE-HOME CRAFT GROUP TANZANIA LIMITED.

This is to certify that Home Group Tanzania Ltd is our customer; and they operate a current account with us 3006211141303 (TZS). Their account has been operated to our satisfaction

This bank reference has been issued at the specific request of our client.

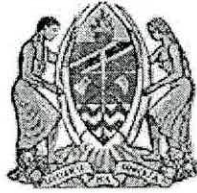
Yours faithfully



Lilian Msuya



## TANZANIA



## Certificate of Incorporation

Section 15

No 97316

I HEREBY CERTIFY THAT

**HEMOCRAFT GROUP TANZANIA LIMITED**

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

Given under my hand at Dar es salaam

this 20TH day of FEBRUARY**TWO THOUSAND AND THIRTEEN**

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

*Asst. Registrar of Companies*



# TANZANIA REVENUE AUTHORITY

## CERTIFICATE OF REGISTRATION

FOR

## TAXPAYER IDENTIFICATION NUMBER (TIN)

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

### THIS IS TO CERTIFY THAT

.....  
HOMECRAFT GROUP TANZANIA LIMITED.  
.....

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

120-691-155  
.....

with effect from ..... 02-May-2013 .....

P. N. Kassera

OFFICIAL SEAL

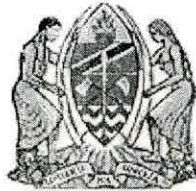
COMMISSIONER FOR DOMESTIC REVENUE

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

## REQUIREMENTS OF THIS CERTIFICATE

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

## TANZANIA



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Given under my hand at Dar es salaam

this **20TH** day of **FEBRUARY****TWO THOUSAND AND THIRTEEN**

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

*Asst. Registrar of Companies*

THE COMPANIES ACT 2002

\*\*\*\*\*

COMPANY LIMITED BY SHARES

\*\*\*\*\*

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

HEMECRAFT GROUP TANZANIA LIMITED.

Incorporated this ..... day of.....2013.

Drawn by:  
Kariuki J. Munyua.  
(Subscriber)  
P.O. Box 70.  
MAFINGA.

THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

I hereby certify that

**HEMOCRAFT GROUP TANZANIA 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.....day of.....Two  
thousand and thirteen.

Seal

Registrar of Companies.

THE COMPANIES ACT 2002  
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION  
OF  
HOMECRAFT GROUP TANZANIA LIMITED.

1. The name of the company is **HOMECRAFT GROUP TANZANIA LIMITED.**
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are: -
- To manufacture, produce, buy and sell pre-stressed cement, concrete poles, asbestos cement, building pipes, irrigation pipes, reinforced cement concrete spun pipes and other allied products and to install plant and machinery to manufacture, produce, buy and sell PVC poles and asbestos cement, pressure pipes, fittings and other allied products.
  - To carry on the business of timber merchants, saw mill proprietor and wood preserving and treatment operators and timber growers and to buy, sell, grow, prepare for market, import, export and deal in timber, teak, plywood, rubber and wood of all kinds and to manufacture and deal in plywood or other wood and to buy, sale, plant and work for timber estates. Tobacco and tobacco products.
  - To carry on in Tanzania or elsewhere the business to manufacture, produce, process, convert, commercialize, compound, develop, distribute, derive, grade, manipulate, prepare, promote, supply, import, export, buy, sell, turn to account and to act as agent, broker, concessuonaire, consultant, job worker, collaborator, transporter, stockist, export house or otherwise to deal in all varieties, applications, characteristics, and uses of waste paper pulp, wood & bamboo pulp, rangoon pulp, sulphate pulp, semi chemical pulp, synthetic pulp, and other allied pulps used for manufacturing of all kinds of papers and to deal in all raw materials, ingredients, intermediates, wastes, residues and to establish, promote, operate & develop forests, nurseries, farms, etc. for growing and cultivating plants and trees for captive consumption or otherwise, and to do all incidental acts and things necessary for the attainment of above objects.
  - To carry on in Tanzania or abroad the business of all types of trees and plants as a farm forestry or otherwise for commercial, domestic, industrial and other purposes and to carry on the business as agriculturists, horticulturists, nursery owners, forest owners etc. by cultivation and farming on land, water or in special chambers and to plant, grow, cultivate, produce, raise, develop, purchase, sell, import, export, protect, store, commercialize or to deal in or turn to account or dispose of any kind of crops, grains, oilseeds, leaves, grass, timbers, fruits, vegetables and other produce and products, by-products, waste, residues etc. and to do such other work or business as may be incidental and necessary for the attainment of above objects.
  - To carry on the business of sellers, purchasers, distributors, importers, exporters, stockists, selling and purchasing agents, commission and forwarding agents, seed merchants and dealers on seeds, Plants, trees, flowers, flower beds, spices, herbs, medicinal plants, roots of plants, creepers, vegetables, fruits, breeding stock; vegetable growers, cultivators, tillers, husband-men, nurserymen, seedmen; conductors or agriculturists, horticulturists, farmers, planters, gardeners and producers of vegetable

TANZANIA  
Stamp Duty Shs. 288/-  
Paid  
Receipt No. 32079 of 19/02/13  
Asst. Registrar of Companies

TANZANIA  
Stamp Duty Shs. 500/-  
PAID ON ORIGINAL  
Receipt No. 32079 of 19/02/13  
Stamp Duty Office

and agricultural seeds, and hybrid seeds, and with a view there to raise vegetable plants, crops fruits, flower beds, trees, herbs, shrubs, sprouts, bulbs, vegetable plants, of all varieties and kinds to process treat, refine and market seeds.

- (f) To carry on business of providing the necessary infrastructure to harvest and develop forest resources, promoting forest resource based industries, arranging marketing of timber and other forest resource within the country and abroad.
- (g) To carry on business as manufacturers of, importers and exporters of, and dealers in goods, articles and thing of all kinds and description in the manufacture of which timber or wood is used, and the business of contractors, carpenters, cabinet and furniture makers in all their respective branches and to deal in such articles and things in their raw unfinished, or manufactured state and either by wholesale or retail.
- (h) To carry on the business of manufacturers, importers and exporters of plywood, veneer, timber forest product compositor and plastic, and to buy and sell by wholesale or retail, and generally to deal in all such materials.
- (i) To carry on the business as forest licensees and exploiters, lumberjacks, timber growers and merchants in all their branches and to grow, fall collect, deal in logs, wood and all other similar produce of all kinds and description , and to apply for, take on lease or license, buy or otherwise acquire, hold and work, forest right and timber estates, and to clear, plant, work such rights and estates, and to do all such acts and things as are necessary or in connection therewith.
- (j) To act as an insurance agency and to become the shareholders of insurance companies pursuant to the applicable law;
- (k) To perform the functions related to the fields of activity directly or procure the performance of these through companies established or by way of participating those already established, to establish participation in and abroad and to use all property rights on incorporation's shares in such participations already established or to be established;
- (l) To establish warehouse and depots in order to operate bended warehouses under control of the custom Directorates.
- (m) To purchase and sell petroleum products, to act as agency, distributor or in similar works incidental thereto.
- (n) To purchase and sell computer software and hardware, to act as agency, distributor or in similar works incidental thereto.
- (o) To issue, buy, dispose of , give as guarantee and to perform all mother legal rights regarding all kinds of securities and commercial bonds, profits partnership certificates, finance bonds and bonds convertible to shares, in compliance with board Resolutions, in cases authorized by applicable laws, provided that the incorporation will not act as a commissioner or perform portfolio management.
- (p) To obtain register, lease and conclude contracts for licenses, franchises, trade marks, knowhow, technical data and support and all other industrial property rights.

- (q) To perform all kinds of training, seminars and courses regarding the fields of activity, to cooperate with the related institutions, to participate in their activities, to establish and operate school and educational institutions.
- (r) To perform training services regarding the activities of the Incorporation.
- (s) To enter into any arrangement with any government, or authority, supreme municipal, local, or otherwise that may seem conducive to the Company's objects, any of them and to obtain from such government or authority any arrangements, rights, privileges, awards, concessions, and tenders, which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges, awards, concessions and tenders.
- (t) To carry on the business of 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, cabs, omnibus, lorries, 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 neighboring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (u) To carry on the business of domestic and international tour operators, promoters of tourism, ocean and land safaris, safari organizers and outfitters to all parts of the world, hunting blocks, to offer camps and run, own camping sites, hire/ sell hunting and camping gear, tented lodges and camps and to arrange or deal with cultural tours and balloon safari and to carry on all other business which can be conveniently be carried in conjunction with the above business.
- (v) To engage in and carry out the business of proprietors and managers of food outlet, hotels, restaurants, 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.
- (w) To acquire, manage, operate and or own hotels, motels, clubs, restaurants, resorts, holiday camps, tourist complexes and places of amusement, entertainment, games and or recreation and to carry on all and any activity business, and or undertaking whatsoever having any connection with any of the aforesaid activities and businesses or which may be considered or thought to be appropriately or conveniently or expediently carried on therewith.
- (x) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, car rental/hire, hotel bookings, promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manage hunting

safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harboring, transporting, wildlife and marine products of all kind.

- (y) To construct, erect, equip and carry on the business of petrol station with all usual or convenient buildings, petrol and oil pumps, plants, machinery, articles and things which may be required for purpose of the said business or commonly supplied or dealt with by persons engaged in such business, to carry on the business of garage proprietors, service proprietors, mechanical engineers, manufactures and repairs of motors cars, motor bodies and equipment and other machinery, general motor engineers, consulting and electrical engineers, welders, fitters, burners, toolmakers, metal workers, millwright, machinists, iron and steel converters, smiths, builders, painters and to buy, sell, manufacture, export, import, repair, convert, alter and let on hire and deal in motor cars and equipment, spare parts and accessories, machinery, implements, rolling stock and hardware and sanitary of all kinds, builder's materials, timber, oils, spirits, varnishes, electrical and electronic machinery and equipments.
- (z) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, body builders, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.
- (aa) 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.
- (bb) To carry out medical research in all spheres of human body and mind and to compile such data for the purposes of enhancement of health and also to carry on the business of manufacturers and refiners of, dealers (whether wholesale or retail) in all kinds of detergents, gases, chemicals, gases, drugs, acids, salts, alkalis, antibiotics, pharmaceuticals, medicinal and chemical and chemical preparation, articles and compounds ( whether of animal, vegetables or mineral origin) dyes, cosmetics paints, pigments, oils, vanishes, resins and synthetic and man made shampoos, hair sprays, hair creams, hair and other brushes, boots, floor, care and other polishes.
- (cc) To carry on, promote and trade in the business of agro processing, fish processing, deal in farm and agricultural inputs, implements, tools, packaging materials and deal in the livestock and or the veterinary health care products to farmers and stockiest, to buy, sell, supply, distribute whether in retail or wholesale fertilizer, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animals feeds, veterinary

drugs and any related goods and import and export agriculture and food technology, industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.

- (dd) To carry out consultancy in the business of dealers of materials in pharmaceuticals, hospital equipments, dispensaries and drugs and to carry out any business this can be carried out in conjunction therewith.
- (ee) To carry on the business of health care service providers, to offer long term health care facilities including respite care, to own, run and operate clinics, offer home health care and to carry on all other businesses which can be carried out in conjunction therewith.
- (ff) To carry on the business of supplying all kinds of health products and food supplements to various parts of Tanzania, to supply and deal in health equipments, cosmetics and any other business which can be carried out in conjunction therewith.
- (gg) To engage in and or otherwise carry on the business of consultancy on matters related to health care in general, health products, food supplement management, health equipment management, to be professional cosmetic services advisors, promoters of health services in governmental departments, offices, companies, public or private institutions, individual and any other organization all over the world.
- (hh) To be general agents, to be general suppliers and manufacturer's representative, commission agents, general brokerage agents, importers of health care equipments, food supplements, cosmetics accessories, to import distribute install and service health equipment machinery, and generally to deal in all things related therewith.
- (ii) To carry on the business of supplying all kinds of health products and food supplements to various parts of Tanzania, to supply and deal in health equipments, cosmetics, to open and run hospitals, dispensaries, chemists, drug stores, to import and sell pharmaceutical supplies, medical supplies and to do any other business which can be carried out in conjunction therewith.
- (jj) To carry on the business of providing veterinary services, that is to say veterinary medical services, including but not limited to operating veterinary clinics, trading in veterinary medical products, veterinary drugs, vaccines, and any other pharmaceutical products related and, or ancillary to veterinary medical practices.
- (kk) To carry on the business namely manufacture, distribution, sale, import and export of gelatin and gelatin capsules, pharmaceuticals, medicinal chemicals, biological, immunological and therapeutic preparations and to carry on the business as manufacturers, importers, exporters of/and dealers in drugs, chemicals and pharmaceuticals and apparatus and spare parts used in producing drugs, chemicals and pharmaceuticals and in particular hard and soft gelatin capsules and containers.
- (ll) To carry on the business as manufacturers of and dealers in all kinds of capsules including hard and soft two pieces, telescopic, pharmaceutical capsules and to carry on the business as manufacturers of and dealers in all raw material used in capsules including gelatin and all pure and impure form of materials and to deal in or carry on

business of all types of products capable of being packed in capsules including pharmaceuticals, drugs and chemicals.

- (mm) To carry on Agricultural businesses, including farming activities, that is, all primary agriculture and horticultural production for food crops, vegetables, flowers, cereals, legumes, oil seeds, coffee, cotton, sugar producing plants, cashew nuts, beans, peas, and all agricultural produce that can be grown in the territory.
- (nn) To carry on agri-business, that is procurement and selling of crops, both in the local markets and for exports, trading in agricultural inputs including but not limited to pesticides, herbicides, fertilizers, seeds for all types of crops and other related agricultural supplies.
- (oo) To carry on the business of agro-processing of all types of farm produce that are produced in the country, including but not limited to production of oil from oil seeds, operating cotton ginneries, cashew nuts processing and processing of any other primary agricultural produce in the Tanzanian market in preparation for their marketing locally and in the export markets.
- (pp) To carry on the business of exporters of agricultural products, both primary and processed and importers of manufactured agricultural inputs, implements, including industrial machinery for agro-processing, packaging and preservation.
- (qq) To carry on the business of and dealers in agricultural pump sets, machine parts, accessories, ancillaries stores and spares, agricultural, mining, industrial and other machines and all type of tools, plants equipment, instruments, appliances and hardware, of all kinds, general fittings, accessories and appliances of all description made of metals, alloys glasses, synthetic and other fibers, chemicals and PVC compounds plastic or any other material, packing and re-packing of any chemicals, fertilizers, pesticides and/ or aforesaid goods.
- (rr) To carry on the business of manufacturers, dealer, importers, exporter in animal feed, poultry feed, pig feed, compounded or mixed feed, minerals, vitamins protein food etc. sugar glucose, starch fattening preparations of every description, artificial manures and fertilizers, oil cake crushers, seed crushers, oil extractors, ginneries, treacle manufacturers, feed specials, cake and meal merchants, millers, bakers, chemists and seed corn grain, flour, hay, straw, flax cotton, and oil merchants and manufacturers of cases, casks, drums barrels, bags and sacks, etc.
- (ss) To carry on the business of manufacturers, importers, exporters, distributors, brokers, processors, stockiest, agents and or otherwise to deal in animal feed, cattle feed, laboratory animal feeds, sheep feeds, poultry feeds, pig feeds and feeds concentrate, feed premixes, supplementary feeds, additives, compound feeds or mixed feeds, vitamins, proteins, vegetable products, glucose, starch, fattening preparations and to utilize, work up and deal in glue products or residue resulting from any of the company's manufacturing and operations.
- (tt) To carry on the business of manufacture, fabricate and assemble, buy, sell, import, export, distribute, and deal in automobile parts of all kinds and descriptions, automotive and other gears, transmission and other axles, universal joints, springs, leaves, head

lamps, sealed beams, induction hardened pins, axles, alloy springs, accessories and fittings of all kinds and to act as brokers and marketing agents for aforesaid items.

- (uu) To manufacture, produce, refine, process, formulate, buy, sell, import, export or otherwise deal in basic drugs, phyto chemicals, plant extracts, dyes, pesticides and their intermediates, laboratory and scientific chemicals used or capable of being used in the pharmaceuticals, textiles, agriculture, fertilizers, petrochemicals or any other industry and trade or laboratory including industrial chemicals or any other mixture, derivatives and compound thereof.
- (vv) To carry on the business, as manufacturers of and dealers in and importers, and exporters of all kinds of basic drugs, drug intermediates, any chemicals, heavy or fine, organic, agro-chemicals, aromatic chemicals, dyes and dye intermediates, pharmaceuticals, medicinal, herbal, bacteriological, biological, chemicals and all allied chemicals and products thereof.
- (ww) To produce, manufacture, refine, prepare, process, purchase, sell, import, export or generally deal in bricks, sand, stone, marble, tiles, refractories, china wares, sanitary materials, pipes, tubes, tubular structures, cement, paints, adhesive, sheets, roofing, glass, furniture, fittings, electrical goods, water supply or storage equipment, floor polish, door closures, concrete mixtures, elevators, paints, hardware, pipe, fittings, lubricant oils, building materials, forest products and any other building or decorative materials made of cement, stone, timber, teak, board, fiber, paper, glass, rubber, plastic or other natural or synthetic substance or chemical.
- (xx) To carry on the manufacture, trade, sale, import and export of all types of telecommunication and power cables including jelly filled cables, fiber optic cables, dry core cables, coaxial cables, switch board cables, radio frequency cables, cables for PCM system, electronic cables, telephone handset cords, computer cords, cords required for electrical appliances and defence purpose, aerial self-supporting cables, jumper wires, drop wires, tinsel conductors, ribbon cables, control cables, instrumentation cables, signaling cables, winding wires, aircraft and ship wiring cables and all other types of wires and cables and raw materials used in optical telecommunications.
- (yy) To carry on the manufacture, trade, sale, import, export and repair of all types of testing equipment for all types of cables and conductors including electric wires, jelly filled cables, fiber optic cables, optical fibers and also testing equipment for optical fiber system and optical fiber transmission and distribution network.
- (zz) To carry on the business of supplying of stationery, office equipment, writing materials, teaching aids and other educational establishment and as agents, school uniforms and stationers in all their business and to buy and sell stationery, office requirements and equipment, all types of books, sundry goods and to act as general merchants and commission agents of print and bind and manufacture stationers and other requirements.
- (aaa) To carry on all or any business of publishing, printing, distributing and selling of business, management, industrial, scientific, academic, communications, financial,

agricultural, social and environmental information technology periodicals, brochures and books and any other reading materials.

- (bbb) To carry on the business as general distributors of all sorts and types of products and services to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government offices, universities and all other places where the services of a supplier are needed.
- (ccc) To carry on the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockiest and dealers in all types of goods, spare parts, machinery, clothes, textile materials, tie and dye, boutique, bags, stationeries, office equipments, office stationeries, general supplies and description whatsoever.
- (ddd) To carry on the business as traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in all types of building machinery, hardware, agricultural machinery, implements, equipment, spare parts, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, and all kinds of industrial projects machinery and equipment, building materials, hardware, timber, electrical goods, 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 and other similar goods.
- (eee) To carry on the business of general merchants, general storekeepers, importers, exporters, and wholesale and/or retail traders of or otherwise dealers of and in piece goods, hardware, glassware, crockery, cutlery, hosiery, enamelware, ironmongery, machinery, turners, spare parts of every description and other household fittings, and requirements and other articles and commodities of personal, household use and consumption provisions, groceries, medicines, drugs, wines spirits, liquors, surgical, optical, photographic and other instruments apparatus stationery and material and generally in all manufactured goods of all types, and merchandise of all kinds.
- (fff) To engage and carry on the business of engineering, general civil works, road constructions, building, renovations, office practitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential, office furnishers, and generally to be designers and fabricators of all kinds of gadgets whatsoever, to be timber processors, saw millers and suppliers of all kinds of timber, to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers of same.
- (ggg) To carry on the business of building contractors, masonry and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, shavers, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses, building and erections of every kind.
- (hhh) To carry on the business of builders, contractors for construction works, renovation, decoration, and demolition and to purchase otherwise acquire land for houses, offices, workshops and building premises.

- (iii) To build, construct, maintain, enlarge, pull down and remove or replace any building, offices, work, wharves, road, walls, fences, banks, dams' sluices or water wharves and clear sites for the same.
- (jj) To erect and construct houses, buildings, or works of every description on any land of the company or upon other lands, or property and to pull down, rebuild, enlarge, alter and improve existing houses, buildings to convert any such land into roads, street squares, gardens and grounds for various activities.
- (kkk) To carry on the business of contractors, construction, repairs of roads, railways, tramway, bridges, reservoirs, irrigation, improvements, piers, sewerage and drainage works, construction of drainage structures quarry owners, builders general contractors and carriers and generally any work or works of public or semi-public characters or of public utility.
- (lll) To carry on the business as specialized contractors, conduct and do plumbing business in constructions, erection and repair of steam, gas light, water and liquid pipes, fittings and apparatus, to equip and provide buildings, mining sites, railroads, manufacturing and municipal plants with pipes, fittings, apparatus and repair of heat, light gas or water supply, to buy and sell articles and apparatus sold and kept for sale by plumbers and generally to transact and do all manner of business in the plumbing line, incidental or similar thereto or required to be or capable of being carried on in conjunction therewith.
- (mmm) To carry on the business of mechanical and electrical contractors, building and civil engineering contractors, designers of buildings, roads, civil and road engineering works, structural maintenance, contractors, architects and quantity surveyors, painters, decorators, plumbers, metal and alloy workers, fineries and engineers, electricians, warehousemen, harbingers and dealers in hardware, sanitary ware, plants appliances and fittings, tiles, pipes, earthen ware goods, cement concrete workers and building materials and requisites of every kind.
- (nnn) To carry on the business of hiring construction equipments including trucks of all types.
- (ooo) To engage in and carry on the business of manufacturers of and dealers in cement, lime, plasters, clay, whiting, gravel, stone, chipping, minerals, earth, and fuel, artificial stone bricks, tiles, roofing pipes, pottery, earthen ware, as well crushed stones and quarry extraction.
- (ppp) To carry on the business of blasting rocks, stones and land excavation.
- (qqq) To own storage warehouse and do the business of wholesalers and distribution of all types of commodities connected with the provision of construction services.
- (rrr) To carry on the business of importing, exporting building materials of all kinds and types, importation of construction equipments, light and heavy-duty motors and machines.
- (sss) To carry on the business of building warehouses, outfitters of warehouses, specialized suppliers of warehouse fittings and generally to carry on all other businesses which conveniently be carried out in conjunction with the above business.

- (ttt) To carry on the business of real estate, property managers, developers, agents valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
- (uuu) To carry on the business of supplying and professional fittings of aluminium frames, glasses, windows, importers of uPVC profile and glass uPVC and other raw materials, accessories and other hardware materials, fittings used in manufacturing uPVC double glazed windows, doors, frames, roof tresses and other allied goods.
- (vvv) To carry on the business of agents, consultants or representatives of foreign or local manufacturers, industries or other like organizations in any type of goods, products, commodities and services.
- (www) To carry on the business of spare parts for different types of machines and instruments including motor vehicles, cars, trucks, Lorries or other vehicles, agricultural implements, mining implements and any other machinery, tool maker, metal workers, boil makers and any other kind of machine whatsoever.
- (xxx) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (yyy) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (zzz) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (aaaa) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (bbbb) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (cccc) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (dddd) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.

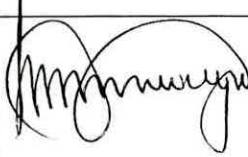

- (eeee) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (ffff) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (gggg) To lend money on any terms that may think fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (hhhh) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- (iiii) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (jjjj) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (kkkk) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (llll) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (mmmm) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of it is objects into effect, or affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (nnnn) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (oooo) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.

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

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings one billion (1,000,000,000/=) divided into one million (1,000,000) shares of Shillings one thousand (1,000.00) each.

The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

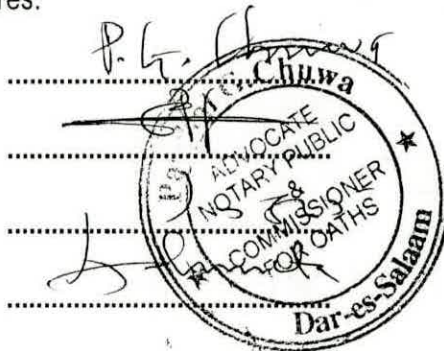
We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
Kariuki Josphat Munyua, P. O. BOX 70, MAFINGA IRINGA.	100,000	
Edward Magero, P. O. BOX 70, MAFINGA IRINGA.	100,000	EDWARD MAGERO 

Dated at Dsm this 19 day of Feb. 2013.

**Witness** to the above signatures:

Name :  
Signature :  
Postal Address :  
Qualification :



company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6.

#### **DIRECTORS.**

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than six in number.
- (b) There shall be Chairman of the Board of Directors whose qualification; remunerations, terms and conditions of service shall be determined by the Directors of the Company by vote of simple Majority.
- (c) The following persons shall be the first Directors of the company:
  - 1. **Kariuki Josphat Munyua.**
  - 2. **Edward Magero.**

- 7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
- 8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be two.
- 9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- 10. The Directors may from time to time borrow or raise any money for the purposes of the Company, which may exceed the issued share capital of the company.

#### **BORROWING POWERS.**

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

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

#### **VOTE OF MEMBERS.**

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

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

- 14. The office of a Director shall be vacated if the Director;
  - (a) Becomes bankrupt; or
  - (b) Is found to be a lunatic or becomes of unsound mind; or
  - (c) Resigns his office by notice in writing to the Company;

- (d) Abstains himself from meetings of the directors for a period of six months without special leave of absence from the other Directors.

**SEAL.**

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

**AUDIT.**

16. Auditors shall be appointed and their duties regulated in accordance with the law for the time being governing the business of auditors, specifically of a company like this;

**ALTERNATE DIRECTORS.**

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

**SECRETARY.**

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

**WINDING UP.**

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

**ALTERATION OR ADDITION.**

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

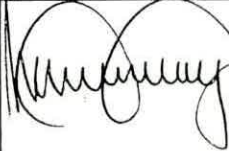

**INDEMNITY.**

22. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which

judgment is given in his favor or in which he is acquitted or is in connection with any application in which relief is granted to him by the Court.


**ARBITRATION.**

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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
Kariuki Josphat Munyua, P. O. BOX 70, MAFINGA IRINGA.	100,000	
Edward Magero, P. O. BOX 70, MAFINGA IRINGA.	100,000	

Dated at Dsm this 19 Day of Feb 2013.

**Witness** to the above signatures:

Name : P.G. Shemua  
 Signature :   
 Postal Address : .....  
 Qualification : Advocate & Commissioner for Oaths





## TIC Evaluation Report

Name of the Company  
Homecraft Group Tanzania Ltd.

Post Box	Kinyanambo C, Plot No. 64, Mufindi District	COI Number	97316	Contact	Ms. Kariuki Josphat
Post Office	70	COI Date	20/02/2013	Designation	Managing Director
Region	Iringa	Application F. No	11119	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0788 984 503
		Sub Sector	Wooden Poles Treatment	Fax	0
		File No	042463	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 64	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0.223</td> <td>0</td> <td>0.892</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.223	0	0.892	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0.223	0		0.892	0								
Street	Kinyanambo C											
District	Mufindi											
Region	Iringa											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Edward Magero	Kenyan	50	Plant	0.35
Josphat Munyua	Kenyan	50	Vehicles	0.475
			Furniture & Fittings	0
			Pre-expenses	0.04
			Others	0.02
			Working Capital	0.13
			Total	1.115

Employment	20	Evaluated By	wf officer4
Capacity	4500 poles per month	Drawn By	wf registry2
Project Turn Over		Project Type	Foreign

### Description

To establish project for treatment of wooden poles

### Recommendations

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

### Decision

*Approved*  
*AB 6/6*

3

TICC/PP.10/042463/3

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

Managing Director,  
Homecraft Group Tanzania Ltd.,  
P.O. Box 70,  
**IRINGA.**

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF PROJECT FOR TREATMENT OF WOODEN POLES**

We wish to acknowledge receipt of your project proposal to establish project for treatment of wooden poles as presented in the TIC P.A. 1 Form No. 11119 and Feasibility Study with a projected investment of USD 1.115m.

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

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

You will 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:-

.../2

TICC/PP.10/042463/3

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

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

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

Yours sincerely,

**TANZANIA INVESTMENT CENTRE**



Juliet R. Kairuki

**EXECUTIVE DIRECTOR**

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

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

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



**TICC/PP.10/042463/6**

**14/08/2013**

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL  
GOODS – CERTIFICATE OF INCENTIVES No: 042463**

**M/S Homecraft Group Tanzania Limited** is a TIC registered company with certificate of incentives **No. 042463** which is valid up to **May 2016**

The company has been registered with objectives of establishing a project for treatment of wooden poles.

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

Yours sincerely

**TANZANIA INVESTMENT CENTRE**



Revocatus Arbogast

**FOR: EXECUTIVE DIRECTOR**

TIC

5

# HEMCRRAFT GROUP TANZANIA LIMITED

P.O.Box: 70, Mafinga, Iringa

Date: 5<sup>th</sup> August 2013

Commissioner for Customs & Excise,  
Tanzania Revenue Authority,  
P.O Box 9053,  
Dar es salaam.  
UFS

Executive Director,  
Tanzania Investment Centre,  
P.O Box 938,  
Dar es salaam.  
Dear Sir/Madam,



Received on  
12/8/13

Ma  
TIC/TIC

**RE: DUTY & VAT EXEMPTION ON CAPITAL/ DEEMED CAPITAL  
GOODS**

We are TIC approved project with certificate of incentives No: 042463 which is valid up to May 2016.

We have been registered with objectives of establishing a project for treatment (processing) of wooden poles.

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

Thanking you for your kind cooperation.

Yours' sincerely

**HEMCRRAFT GROUP TANZANIA LIMITED**

A handwritten signature in black ink, appearing to be "J.M Kariuki".

J.M Kariuki  
**MANAGING DIRECTOR**

18/6/2013  
For: Executive Director  
Tanzania Investment Centre



00219989

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042463

This is to certify that

.....  
HOMECRAFT GROUP TANZANIA LTD  
.....

P.O. BOX 70

of address .....

MAFINGA  
.....

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

HOMECRAFT GROUP TANZANIA LTD  
.....

PLOT NO. 64 MUFINDI

Which is located at .....

IRINGA  
.....

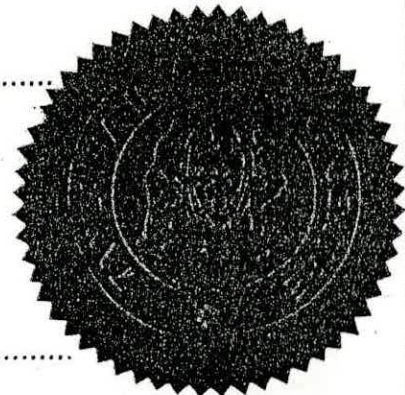
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

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

17TH JUNE 2013

Dated .....



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

1. Shareholders
- |                               | Nationality   | Shareholding (%) |
|-------------------------------|---------------|------------------|
| <b>Edward Magero</b>          | <b>Kenyan</b> | <b>50</b>        |
| <b>Kariuki Josphat Munyua</b> | <b>Kenyan</b> | <b>50</b>        |
2. Proposed Activities : **To establish project for treatment of wooden poles**
3. Sector: **Manufacturing** Subsector **Wooden Poles Treatment**
4. Investment cost: Foreign **USD 1.115m.** Local **-** Total **USD 1.115m.**
5. Project Financing: Equity **USD 0.223m.** Loans **USD 0.892m.** Total **USD 1.115m**
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign            | Local    | Total             |
|----------------|--------------------|----------|-------------------|
|                | <b>USD 1.115m.</b> | <b>-</b> | <b>USD 1.115m</b> |
8. Technology Agreement ..... **None**
9. Date of TIC Registration: ..... **10th June 2013**
10. Implementation period ..... **June 2013 - May 2016**
11. Operative date..... **June 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
- (ii) Applicable with-holding Tax ..... **As per Income Tax Act, 2004 (as amended)**
- (iii) Eligibility of Capital Allowances ..... **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
- (ii) Certificate not to be transferred, assigned or amended
- (iii) Failure to commence implementation within two years invalidates Certificate
- (iv) Failure to operate investment must be notified to the Centre
- (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
- Finished goods are not allowed under this certificate**

Signed   
Executive Director

CTIN.: 1795854

ISO 9001 : 2008 Certified



# TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

**THIS IS TO CERTIFY THAT**

.....  
HOMECRAFT GROUP TANZANIA LIMITED.  
.....

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

120-691-155  
.....

with effect from ..... 02-May-2013 .....

  
P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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





00219989

THE UNITED REPUBLIC OF TANZANIA

# Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042463

No: .....

## This is to certify that

.....  
HOMECRAFT GROUP TANZANIA LTD  
.....

.....  
P.O. BOX 70  
.....

of address .....

MAFINGA  
.....

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

HOMECRAFT GROUP TANZANIA LTD  
.....

PLOT NO. 64 MUFINDI  
.....

Which is located at .....

IRINGA  
.....

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

17TH JUNE 2013

Dated .....



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

1. Shareholders  

	Nationality	Shareholding (%)
<b>Edward Magero</b>	<b>Kenyan</b>	<b>50</b>
<b>Kariuki Josphat Munyua</b>	<b>Kenyan</b>	<b>50</b>
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6. Source, terms and conditions of loan.....
7. Assets to be invested:  

Capital items:	Foreign	Local	Total
	<b>USD 1.115m.</b>	<b>-</b>	<b>USD 1.115m</b>
8. Technology Agreement ..... **None**
9. Date of TIC Registration: ..... **10th June 2013**
10. Implementation period ..... **June 2013 - May 2016**
11. Operative date..... **June 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
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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