

SOP'S FOOD AND
GRAINS INVESTMENT

LTD

MINUTE SHEET

Dokezo
No.

1.0

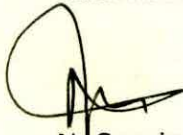
EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ... US\$ 0.81M
- (b) Legal entity has been incorporated under certificate No. 99832 of 06/05/2013

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

18th July, 2013



2.0 **EXD** done p1.

In response to the TIC letter of registration dated... 17th July 2013

the project has submitted the required documents namely: -

- (a) Company Board Resolution. CBA Bank LTD
- (b) Reference letter/Financing from... ~~Kenya Development Finance Corporation~~
- (c) Lease Agreement as evidence of law

With the above submission EXD is requested to sign Certificate of Incentives No. 032008 herein attached



DIF

MINUTE SHEET

Dokezo
No.

SOP'S FOOD AND GRAINS INVESTMENT LIMITED

Feasibility Study Report for Establishing and Operating Maize Flour Processing Facility in Mbeya City

Prepared for:

SOP'S FOOD AND GRAINS INVESTMENT LIMITED

PLOT NO.25 BLOCK A UYOLE AREA
P.O. Box 5040 MBEYA
Tel: +255 25 2510217; Cell: +255 789 400004
E-mail: sopsfoodandgraininvestmentltd@gmail.com

COMPANY PROFILE

Company Name	SOP'S FOOD AND GRAINS INVESTMENT LIMITED
Address	PLOT No. 25 BLOCK A UYOLE AREA P.O. Box 5040 MBEYA TANZANIA
Contact person	Mr. Shaban A. Mwasopo
Phone	+255 25 2510217; +255 789 400004
Fax	
E-mail	
Web Site	
Year of Establishment	2013
Present Type of Business	Maize Milling
Sales Turnover	Tshs. 140,000,000
Present Ownership Structure	Local Private: 100%
Bankers	CRDB PLC Bank (Tanzania) Limited
Manpower Total (Nos.)	19
Brief Professional/Business Background	The Managing Director is a respected businessman in Tanzania. He has been engaged in various businesses over the past ten years. He is currently engaging in maize milling businesses in Mbeya Region.
Effluent Generated	Non Polluting

MAIN TEXT

- EXECUTIVE SUMMARY
- 1.0 PROJECT BACKGROUND
- 2.0 TECHNICAL ASPECTS
- 3.0 MARKETING
- 4.0 ORGANIZATION AND HUMAN RESOURCES
- 5.0 ENVIRONMENTAL IMPACT ASSESSMENT
- 6.0 INVESTMENT AND FINANCING PLAN
- 7.0 ECONOMIC AND FINANCIAL ANALYSIS
- 8.0 SOCIAL ASPECTS
- 9.0 IMPLEMENTATION PLAN
- 8.0 CONCLUDING REMARKS AND RECOMMENDATIONS

FINANCIAL STATEMENTS

- I. Capital Investment Structure
- II. Staff Remuneration Package
- III. Operating Cost Schedule
- IV. Sales/Revenue Projections
- V. Projected Income and Expenditure Statement
- VI. Depreciation Schedule
- VII. Working Capital Schedule
- VIII. Cash Flow Projections
- IX. Projected Balance Sheet
- X. Discounted Cash Flows
- XI. Loan Repayment Schedule

EXECUTIVE SUMMARY

The Project is being promoted by M/s Sop's Food and Grains Investment Limited. The Company was recently duly registered by the Registrar of Companies in pursuance of the Companies Act, 2002 on 5th June 2013.

The shareholders and also directors of the Company are:

1. Shaban A. Mwasopo
2. Easther S. Mwambona
3. Victor Melele
4. Atuganile Mwasopo
5. Baraka Melele
6. Yusto Mwasopo
7. Agren Wajina
8. Michael Charles
9. Agatha Lusepo

All directors are holding 100% shares into the authorized and issued capital of the company in proportions of 55%, 10%, 5%, 5%, 5%, 5%, 5%, 5% and 5% respectively.

The objective of the project is to establish and operate maize and processing facility. This business is anticipated to create the company's business volume of about 3,000 tons a year. This represents an annual turnover of US\$ 1,959,000 in the First Year.

The project is expected to contribute to the increased supply of maize flour. Increased supply relative to demand would have the potential of keeping prices low. In addition, the project will contribute to the generation of foreign currency as some proportion of the maize processed will be exported to the neighbouring countries.

The project will also contribute to the growth of the Tanzanian economy through generation of employment of 19 people, increase in government revenue through payment of taxes, and through a multiplier effect that would arise through various points in the value chain of maize processing and distribution.

The total project cost, combining start up costs, capital expenditure, and working capital and operating expenses amounts to USD 810,000.

The project will be financed through both equity and loan. The project promoters, who are the directors and shareholders of the Company, will inject equity into the project in the form of cash and assets. Assets will comprise primarily of buildings, equipment, start up costs to be capitalised, and all developments to be made on the project site. The total amount of equity is expected to amount to US\$ 320,000.

The projected cash flows indicate a very strong cash position, enough to support loan repayment and interest payments at the due dates. The projected interest calculation and loan amortisation is attached as Appendix XI.

On the basis of the results of the analysis, the project is financially viable as it has a positive net present value. The Internal rate of Return (IRR) of 72.4% is also above the cost of capital.

The project's payback period is 60 months.

The project is recommended for approval and immediate implementation.

1.0 PROJECT BACKGROUND

1.1 Introduction

The Project is being promoted by M/s Sop's Food and Grains Investment Limited. The Company was recently duly registered by the Registrar of Companies in pursuance of the Companies Act, 2002 on 5th June 2013.

The shareholders and also directors of the Company are:

1. Shaban A. Mwasopo
2. Easther S. Mwambona
3. Victor Melele
4. Atuganile Mwasopo
5. Baraka Melele
6. Yusto Mwasopo
7. Agren Wajina
8. Michael Charles
9. Agatha Lusepo

All directors are holding 100% shares into the authorized and issued capital of the company in proportions of 55%, 10%, 5%, 5%, 5%, 5%, 5%, 5% and 5% respectively.

The objective of the project is to establish and operate maize and processing facility. This business is anticipated to create the company's business volume of about 3,000 tons a year. This represents an annual turnover of US\$ 1,959,000 in the First Year.

The project promoters have over thirty years experience in grain processing.

1.2 Agriculture Sector in Tanzania

Tanzania is, in essence, an agricultural country where agriculture means almost everything. Over 80 percent of the people live in the rural areas and agriculture is their main source of livelihood. Agriculture accounts for 95 percent of the food we eat, 25 percent of the GDP and 30 percent of the foreign exchange earnings. It is a major source of raw materials for agro-based industries. Agriculture, therefore, holds a unique position with respect to the socio-economic wellbeing of Tanzania and her people. It is a critical factor in efforts to reduce and, ultimately, eradicate poverty in the country. We cannot eradicate poverty, promote balanced socio-economic growth and achieve food security without transforming our agriculture.

Tanzania has immense opportunities for agricultural development. There are 44 million hectares of arable land, only 24 percent of which is being utilised. Many parts of the country have good rains but there are, also, other vast water resources in rivers, lakes and underground, which can be used for irrigation.

There are ample opportunities for building dams to capture rain water in seasonal rivers and use it for agriculture. Unfortunately, only 381,000 hectares are under irrigation.

Tanzania's agriculture is predominantly small holder, characterized with very low productivity due to very limited use of modern technology and techniques of production. As a result, therefore, the country's huge agriculture potential remains unutilized.

Since independence, transforming agriculture has been the focus of government policies and actions of all administrations. Several policy initiatives and programmes have been put in place and implemented, at different times in the history of Tanzania. Two such landmark policy initiatives which were made during the time of the first President, the late Mwalimu Julius Nyerere, were the Villagisation Policy and the Iringa Declaration. The latter, famously known as "Siasa ni Kilimo" meaning Agriculture is Politics, underscored the use of irrigation besides other aspects of modernization of agriculture. These two policy documents shaped agricultural policy measures through the First, Second, Third and Fourth Phase Governments.

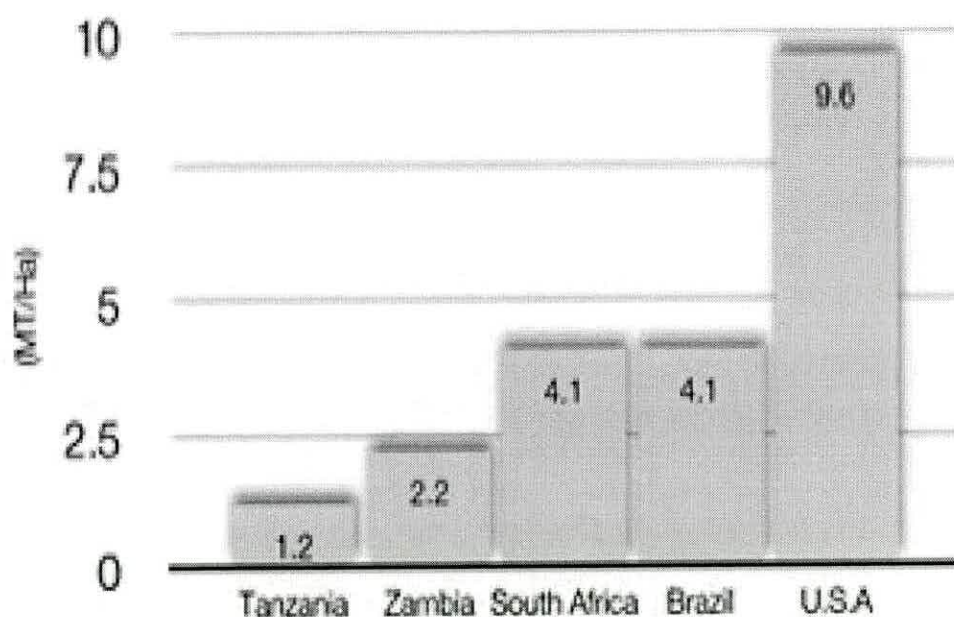
1.3 Maize production and consumption in Tanzania

Mbeya is one of the "**Big Four**" Regions in terms of surplus food production mainly maize which is sold to other regions and exported to the neighbouring countries. The arable land has high potential in the production of maize.

Maize may also be included as a core crop in the Ihemi, Ludewa and Sumbawanga areas in the Southern Highlands. The supply of maize can be used as a food source (either whole or processed as flour), or as a feed source for livestock farming within mixed farm models.

Maize production is undertaken almost exclusively by small scale farmers (over 95% during the long raining season farming an estimated 2 million Ha in 2002 / 2003, with an average land holding of 0.67 Ha), with some large scale farmers operating 750 farms country wide, planting maize on an estimate of 30,000 Ha. Yields range from 1.2–7.7 mt/Ha for small scale farmers and from 5.5 – 9.5 mt/Ha for large scale farmers. Traditional seeds can produce up to 5.5 mt/Ha while the potential of improved seeds currently available in Tanzania is 12.0 mt/Ha. On average, Tanzania has been a net importer of maize (141,120 Tons pa), but annually this has varied between a positive export balance of 60,934 tonnes in 2005 and 80,251 tonnes in 2007, and net import balances of 229,488 tonnes in 2006, 43,577 tonnes in 2008 and 9,259 tonnes in 2009.

Maize Yields in 2010



Tanzania National Maize Consumption

Institution	MT/Year	Source
National Production	3,339,530	
Home Consumption	1,924,185	57.9% of rural population x 222 g daily per person (effective average availability in 2009)
Urban Low Income Consumers	911,285	Assumption: Urban population = 17,301,960 65% of which has low or very low income = 11,246,274 x 222 g/day = 981,384 MT
High & Medium Income Consumers	113,160	Balance
<u>Institutional Market</u>		
NFRA	180,000	Communication NFRA
WFP	15,000	Communication WFP
Army	8,100	Assumption: 100,000 x 222 g x 365 days
Schools and Hospitals	159,800	Assumption: 4 million x 180 days x 222 g/day
Export Market	28,000	Informal Cross Border export in Northern Regions
Total Consumption	3,339,530	

1.4 Project brief

The proposed project is about establishing Maize Flour Mill Plant. The subject project is strongly recommended to be established in the adjoining of the major urban areas with high maize production/consumption. The prevalence of such facility would add economic benefits in the country and would number of direct and indirect employment. Moreover features like low cost & less complexity associated with installation of Maize flour milling plant makes it more attractive project. Currently the project is being designed proposed for major urban areas with potential rice and maize production but the same can be proposed for other towns which can fulfill input and logistic requirements of the project.

Initially project focus would be on customers from neighboring communities, whereas at maturity domestic market would be preferred. The main feature of the project would include hygienically produced flour processed according to international quality and standards.

1.5 Raw Material

Maize has been used as primary source for making flour, however flour can also be made from other starchy plant foods. These include wheat, barley, buckwheat, corn, lima beans, oats, peanuts, potatoes, soybeans, and rye. The proposed prefeasibility is based on the assumption of maize as primary raw materials.

1.6 Opportunity Rationale

Flour has been used for centuries as vital ingredient of daily diet. Rice, wheat, and maize are the three leading food crops in the world; together they directly supply more than 50% of all calories consumed by the entire human population. In Tanzania, human consumption accounts for 85% of total production for maize, compared with 19% for rice.

Rice provides 21% of global human per capita energy and 15% of per capita protein. Although rice protein ranks high in nutritional quality among cereals, protein content is modest. Rice also provides minerals, vitamins, and fiber, although all constituents except carbohydrates are reduced by milling.

In nutritive value maize is quite similar to other cereal grains. In fact, it is somewhat superior to wheat flour and only to a small extent below rice. These are the three cereal grains most consumed by people throughout the world.

2.0 TECHNICAL ASPECTS

2.1. Project Location, Civil Works, and Equipment

The Company will construct or lease a building for processing and storing both raw and processed maize flour, as well as an administration block.

The substantial part of the investment would be devoted to facilities needed for Maize Flour Milling. These include:

- Concrete drying yard of about 37,405 sq. ft.
- Storage area of about 52, 595 sq. ft. includes godowns, garbling shed and machine room
- Weigh bridge: 2 No. (30 tons capacity)
- Machinery:
 - Cleaner – Scourer – Aspirator (1 No.)
 - Destoner (1 No.)
 - Humidifier (1 No.)
 - Double Roller Mill Break (No. 1)
 - Degerminator: (2 No.s)
 - Planalter: (2 No.s)

2.2 Auxiliary materials

Falling under this category (maize flour) is packing bags, paper for bags for bran, lubricants, grease and other miscellaneous items.

2.3 Motor vehicles

The Company will acquire five scania trucks for haulage of maize and maize flour bags. The Company will also acquire four utility center light trucks for factory activities, three tractors, three Fuso, maintenance of plant facilities and equipments, two mini buses for the employees' transport, two hardtops and two pick-ups for the management and marketing activities.

2.4 Proposed Location

The proposed location for the establishment of the unit will primarily be near maize and rice producing areas. It is suggested that the said unit will be established at Plot No. 25 Block A Area in Mbeya City.

The proposed plant site has been carefully selected after technical surveys are made with respect to infrastructural suitability. The currently earmarked site is well connected to accessible road, and utilities such as electricity and water are readily available.

2.5 Technology and Technical Specifications

The company will adapt a modern but simple technology for maize flour milling/processing.

- Installed Power: 171 Kw
- Power Consumption: 65-75 of installed Kw.

2.6 Maize Milling Process

The maize milling process starts with cleaning the grain and is usually followed by conditioning the maize (dampening the maize with water and then allowing it to condition for some time in a bin).

Cleaning and conditioning

Cleaning and conditioning of the maize is an important step in the process and refers to the removal of foreign material and all that is not maize kernels from the to-be milled grain that lowers the quality of the product such as husk, straw, dust, sand, everything too big and too small and lighter than a maize kernel. It also refers to the removal of poisonous seeds, and material harmful to the milling equipment such as metal and stones. Conditioning refers to the addition of moisture to the maize to allow the bran to be peeled off in flakes during milling with plate or roller mills, allowing easy separation in a sifter and, most importantly to add mass to the meal - no harm in selling 2% of water is there.

Forms of milling

Following this process, milling can commence and may take several forms:

Hammer milled maize meal would generally represent an undefined class, probably closest associated with Special Sifted maize meal and represents the lowest cost option and suitable to many rural applications. This meal is often considered inferior by the trade, for the following reasons: All the bran, germ and endosperm are ground up and hammered through the aperture in the hammer mill screen. This has the result that the meal: Has a short shelf life (the germ becomes rancid very fast after milling). The same problem as with Special Sifted maize meal has a great deal of "powder" which results in high adsorption of moisture and fast release of this moisture when cold, resulting in a layer of water over the "pap" in the morning and turning the porridge sour. The porridge cooks with a slightly yellow color although the raw meal may look dazzlingly white. Bran, with a higher water adsorption than endosperm apparently gives a bloated feeling to the eager eater.

Maize may also be de-germinated or polished prior to milling through a Hippo hammer mill with 1.6mm screen providing a very good quality Special Sifted meal.

For good quality maize meal, de-germinate the maize at either 3 tons per hour, 1,5 tons per hour or 500 kg per hour capacity. 2. Then mill the samp and chips (the de-germinator or polisher separates the bran, germ meal and endosperm) by means of a plate mill or a hammer mill or preferably a roller mill. 3. Sifting the meal if milled

through a plate mill or roller mill or sifting is not required if milled through a hammer mill.

Best quality maize

The best quality maize meal is therefore obtained by:

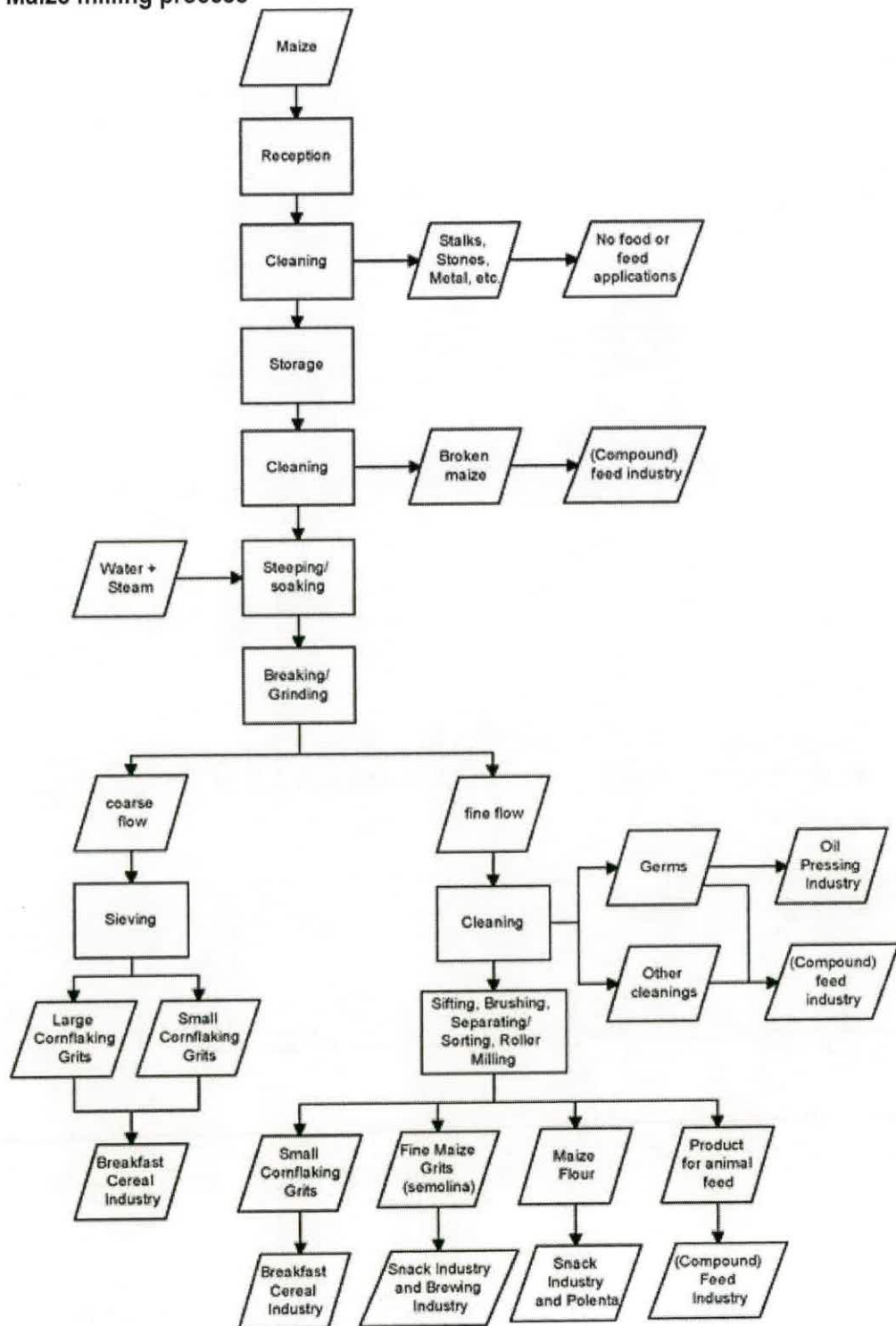
De-germinating the maize prior to milling Milling with rollers rather than hammer mills or plate mills / disc mills. Alternatively, if the budget is small, the whole maize, after cleaning and conditioning (see above) may be milled by means of the plate mill only and then sifted (without de-germination). A significant part of the bran and germ meal would then be sifted off, resulting in a Special Sifted meal - of lower quality than roller milled meal and higher quality than hammer milled meal.

A further element of major importance is sifting. Milling and sifting, form the very essence of grain processing. The sifters in every system should be one or more of the following:

Turbo sifters - two separation horizontally shafted with steel screens - high capacity but not sifting very fine - used in small capacity plate mill systems and as graders for samp and other primary grading after de-germinators. Rotary sifters - three separation horizontally shafted with nylon screens - lower capacity but very fine screening - used in small capacity plate mill systems. Mini plan sifters - relatively high capacity and very fine screening used as primary sifters for all mills of 1 ton per hour to 2.5 tons per hour. Plan sifters in various sizes and numbers of passages: Very high capacity and fine screening - used in all mills with capacity of 2.5 ton per hour and more. Industrial type mills can be constructed over one level, two levels, three levels or more, as existing buildings determine or as practical as the solution may be. High capacity mills normally require more levels to make use of gravity in moving product between mills and sifters.

Another option to consider, is to place a small mill (500 kg - 1,000 kg/hr) in a container. This is only recommended for special applications where buildings are problematic, where the mill needs to be moved from time to time to another location, where temporary power is used and where the mill is located in very remote areas.

Maize milling process



2.7 Project Capacity

The capacity of the proposed project would be 3,000 tons (3 million kgs) on annual basis, assuming 300 working days a year, producing 10 tons of flour per day.

3. MARKETING

3.1 The Product

The main products from the Company will be maize flour.

- **Maize flour**

The very interesting thing with grain milling for maize is the two products that come out of the process is that maize grain produces husks that are very essential for animal feeds production or direct consumption by animals. Otherwise husks can be used as farm manuals when they decay after some time. The process is complete with maize flour being ready for use after packing. The production ratios from 100% quantity of maize are 70% flour and 30% husks and waste. For every 1 ton of maize 700kgs is consumable maize flour and 5% is waste while 25% is husks. The ratio for flour can be improved if the mill is revamped to do all processes from cleaning and softening.

Product	Quantity tons
Flour (70%)	2,100,000
Waste and Husk (30%)	900,000

State-of-the-art packaging will be used to assure a long shelf life (approximately one year) and attractive and informative labeling of our final products.

3.2 Size and Character of the Market

Production will be mainly for the export markets of Zambia, Malawi and Democratic Republic of Congo. Market intelligence conducted in these countries indicates that there is a huge market in all the three countries that can absorb the whole production of this project. However, for analysis purposes it is assumed that the export market will absorb only 60% of the project production. The balance of 40% will be sold locally, mainly in Lake Zone regions and in Dar es Salaam.

The main markets for Tanzanian maize are Dar es Salaam (and by extension Zanzibar and Comoro), the Mtwara – Lindi region, northern cities such as Moshi and Arusha, Kenya, Rwanda and Burundi, Congo and to a lesser extent Malawi and Zambia.

The maize wholesale market based in the main (Dar es Salaam) and secondary towns (Mbeya, Songea, Njombe, Makambako, Iringa, Mafinga, Morogoro, etc.) frequented by the traders, the storekeepers, some farmers and maize brokers. It is on these markets that maize can be sold from trader to trader and that much long term grain storage is operated and that the traders locate their buffer reserves.

Maize brokerage is a specificity of the Dar es Salaam maize wholesale market where traders and the millers. The millers define prices but the brokers have the capacity to influence them through their central position.

The flour wholesale market is concentrated around the main mills and in the main consumption centres. The flour wholesale markets connect the millers, the wholesalers

and the retailers. The prices are defined by the millers according to their processing costs and to the demand on the market (quantities / prices).

The flour retail market is where consumers get flour from retailers on local markets, from shops or kiosks and now more importantly, from supermarkets.

From the analysis in the preceding chapter, the marketing of the final products in the country will not pose a problem either as even if the export markets collapse the local market itself will be able to take up whatever the project will produce.

3.3 Marketing Organization

M/S Sop's Food and Grains Investment Limited will buy products from small farmers, process, pack and sell at wholesale level. Importers from the neighbouring countries will be expected to collect their requirements of maize flour from the Mill, but arrangements can also be made for the promoters to deliver directly to importer from Malawi, Zambia and Democratic Republic of Congo.

Likewise, local buyers are expected to collect their requirements of the various products from the Mill, but the promoters will be flexible to deliver the goods on demand.

3.4 Pricing

The basis for pricing has been from observations and data collected from various parts of Tanzania, market behaviour of raw materials and by-products, production costs and profit margins. Packaging will be done in good quality material and together with other materials, the pricing has been estimated at 5% of sales turnover and this should allow a very high standard of packing.

3.5 Competitive prices

M/S Sop's Food and Grains Investment Limited will buy maize at the beginning of the season when the prices are the low until they reach their target for the season. This is between April – August harvest months of the year in the sources. The maize will be stored safely to avoid any losses, pilferage and pesticides effects. The storage for maize demands fumigation from time to time as it is more vulnerable to damages.

Low cost of production is due to:

- Technology of the mills that form automatic continuous milling production lines and decreased production cost.
- Obtaining Tariff 1 from TANESCO and installing a Power Factor are reducing the electricity consumption so that.

3.6 Competitor Analysis

There are numerous local maize mills in the country. Our direct competitors are:

- Energy Milling Company Limited (Sumbawanga)
- Barka Milling Company Limited (Sumbawanga)
- Sikem Limited (Mbeya)
- Rapha Group Limited (Mbeya)
- Agro Processing and Allied Products Limited
- Said Salim Bakhresa & Co Limited
- Mohamed Enterprises Tanzania Limited

The Company's strategic position and quality of maize flour products, and its strategic focus and links with markets in the Southern Zone regions would likely pre-empt much of the competitive pressures.

3.7 Promotion Strategies

M/s Sop's Food and Grains Investment Limited fully understands the existence of both current and potential competition, and thus underscoring the need for strategic marketing and promotional activities on a continuous basis. The changing needs of customers for high quality and reliable supply of goods, as well as cost considerations will guide the marketing and promotion strategies to be adopted by the Company. These will include advertising, special volume discounts, and special credits arrangements, etc.

The Company is currently targeting approximately 1% of sales to be used in initial promotional efforts.

4 ORGANISATION AND HUMAN RESOURCES

4.1 Organisational Structure

The Company will adapt a management structure capable of meeting the needs of its operations, and recruit competent personnel to operate company businesses.

The adapted structure will comprise of the following:

Board of Directors: This will consist of the shareholders of the Company, the Managing Director (MD), and two outside directors. The Board will be responsible for overseeing the overall direction of the Company, setting goals, and monitoring performance of the management.

Managing Director (MD): The MD will oversee and coordinate the implementation of various Board decisions and business goals. He/she will be in charge of all affairs of the Company and reports to the Board.

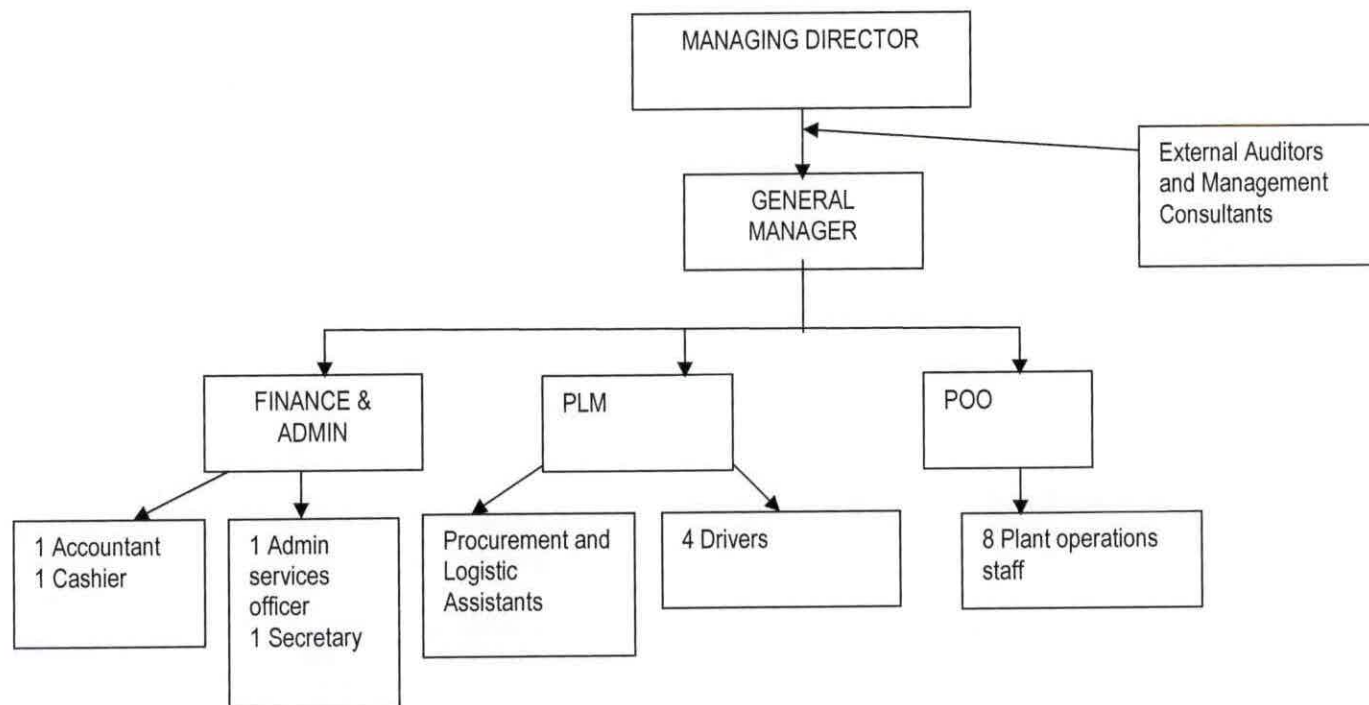
General Manager (GM): The GM will report to the MD and will be responsible for financial management of the Company. He/she will ensure adequate controls and timely reporting of management and statutory reports.

Procurement and Logistics Manager (PLM): The PLM will be responsible for recommending optimal transportation modes, routing, equipment, or frequency; Establish or monitor specific supply chain-based performance measurement systems; Create policies or procedures for logistics activities; Plan or implement material flow management systems to meet production requirements; Maintain metrics, reports, process documentation, customer service logs, or training or safety records.

Production and Operations Officer (POO): The POO will supervise the plant operators and mechanics, and other support staff.

Support Staff: The Company will recruit a number of support staffs including, warehousing officer, drivers, security guards, cashiers, and other operations staff.

The Organisational Structure is summarised in the schematic below:



4.2 Technical Advisory Services

The Company plans to engage external consultants and auditors to provide management advisory services, including the initial set up of accounting and management information system, tax issues, and audit of financial statements for external users. Consultants will be engaged on contract terms, and would be expected to work closely with the MD. The Company's use of external consultants would ensure continuous improvements in business strategy and will be a low cost alternative to having a large internal pool of employee.

4.3 Support Services and Needs Assessment

The project would require moderate use of support services. These would include secretarial, stores, and machine operators. The market availability of the people for these positions in Tanzania is favourable as the existing enterprises and the government are unable to fully absorb the labour force. Others may be hired as temporary workers paid on an hourly basis.

The Company will outsource other services such as security to the factory to credible security company.

4.4 Management Structure and Strategic Positioning

The Structure of the Organisation proposed is expected to afford the management a reasonable degree of flexibility and information flow that is considered critical for its business strategy and its market target. The strategy requires high level of contact and interaction with market players; therefore need to remove information barriers between the top management and operational staff. The structure would also allow an efficient and effective production and distribution of maize flour, leading the Company into achieving its objectives of supplying high quality maize flour to a large number of customers and at competitive prices.

4.5 The Profile of a Top Management of the Company

The managing director of the Company is a Tanzanian long time businessman. He has a wide experience in business management after having engaged in a number of businesses in agro processing industry.

4.6 The Company's Mission

The company's mission is to be known as the premiere maize flour producer/miller in the Southern Zone, Tanzania.

5 ENVIRONMENTAL IMPACT ASESMENT

5.1 Potential Impacts of the Project

M/s Sop's Food and Grains Investment Limited concern is that they become as environmentally conscious as possible. They will use an afterburner on the mill to reduce the amount of air pollutants normally associated with the milling process.

Thus, the Company would ensure high standards of the facilities to be installed sufficient to comply with safety standards.

5.2 Planned Preventive and Internalisation Programmes

The Company has plans to engage some industry experts to undertake periodic technical evaluation of the effectiveness of the facilities. The first evaluation will take place after installation of the effluent treatment facility and just before the commencement of commercial production, and once every two years.

6 INVESTMENT AND FINANCING PLAN

6.1 Project Costs

The initial investment for the project has been estimated at USD 810,000 as follows:

(IN USD)

Item	Equity	Loan	Total
1. Land, Buildings and/or Rent	75,000	-	75,000
2. Plant, Machinery and Equipment	80,000	340,000	420,000
3. Motor Vehicles	60,000	150,000	210,000
4. Office & Equipment, Furniture & Fittings	10,000	-	10,000
5. Pre – Operational Expenses	15,000	-	15,000
Sub-total	240,000	490,000	730,000
Add : Initial Working capital	80,000	-	80,000
Grand total	320,000	490,000	810,000
Contribution in Percentage	40%	60%	100%

6.2 Financing Plan:

The proposed project is estimated to cost about US\$ 810,000 over an implementation period of three years only. The project sponsors have enough financial resources and adequate access to bank funding to undertake the contemplated investment. The project promoters are planning to finance project cost in the following pattern:

Owners' Equity Contribution: US\$ 320,000(40%)

Bank Loans: US\$ 490,000 (60%)

7. ECONOMIC AND FINANCIAL ANALYSIS

7.1 Projected Financial Statements

The projected financial statements for ten year period are attached as Appendix I-XI. These statements include the projected balance sheets, income statements, and the statement of cash flows.

The projected balance sheets indicate a healthy trend, with a total equity position. The projected current assets will remain substantially above current liabilities, thus posing no liquidity problems. The projected income statement shows a steady increase in net income starting from the first year of project implementation.

The projected cash flows indicate a strong cash position, enough to support loan repayment and interest payments at the due dates. The projected interest calculation and loan amortisation is attached as annex XI.

7.2 Analysis of Financial and Economic Viability

Considerations and Assumptions

7.2.1 Exchange Rate:

The exchange rate for financial analysis has been taken as T.Shs. 1,600.00 = USD 1.00 throughout the project period.

7.2.2 Depreciation

The straight-line method to depreciate the project's capital items has been applied as follows:

Buildings and other Civil Works Structures	2.0%
Plant, Machinery & Equipment	25.0%
Motor vehicles	25%
Office Equipment, Furniture fittings	12.5%

7.2.3 Production and Revenue Assumptions:

It is assumed that the proposed project will utilize locally grown maize mainly from the project area, Southern Highlands regions which are among the major producers of rice and maize in Tanzania. The Maize Flour (Super) is estimated at an average price of USD 0.80 per Kilogram

7.3 Financial Statements:

7.3.1 Project Profit and Loss Account

For projection purposes, it is assumed that the plant will operate for 8 hours a day, 25 days a month or 300 days per year, processing a total of 3,000 tons or 3,000,000 Kg per year of maize flour.

The cost of raw materials dominates operating costs at an average of 80%.

7.3.2 Projected Cash Flows :

The discounted cash flow statement discounted over 10 years shows a Net Present Value (25%) of 5,459,289.49 and Internal Rate of Return (IRR) of 72.40%. This is based on 300 working days per annum. Under this assumption the project starts making profit in the first year of operation.

The normal payback period is 60 months.

7.3.3 Projected Balance Sheet:

The project net worth increases from USD 387,967.68 in year one to USD 415,848.46 at the end of year ten.

Economically, the project is also viable for it will contribute significantly to the development in the following measurable ways:

- ❖ The project will create about 19 employment
- ❖ The project will contribute to government revenue in the form of taxes. It is projected that, the project will have generated about USD 3,817,526 sales alone by the end of year ten.
- ❖ The project will result into significant positive multiplier effects through various stages of rice and maize flour milling process and distribution chain.

7.4 Contribution of the Project to Economic Development

The project will serve as an additional source of maize flour to the economy. It will also contribute to the supply of foreign exchange, since a significant portion of products will be exported. The project will also contribute to the growth of the economy through generation of employment, increase in government revenue through payment of taxes, and through a multiplier effect that would arise through various points in the value chain of maize milling process, distribution, and export. Processing of maize using modern technology will greatly add value to the agricultural product. The project will involve transfer of technology in maize flour processing using modern Chinese technology. It will create more market for the local maize growers and create more business opportunities to maize traders.

8 SOCIAL ASPECTS

The Company understands the importance of the community in areas where it does business as an important stakeholder to the Company. During due diligence review of the industry and social implications, nothing negative about the social implications of the project came to the attention of the promoters, aside from environmental aspects dealt with above.

The project promoters will participate and engage in the Community's joint efforts to improve infrastructure and other social services around their business areas. The Company will seek partnership with Community groups to engage in Community development issues, and to resolve amicably, any social misunderstanding or conflicts of interest that arise between the Company and other parties such as the government, employee, customers, suppliers, and other stakeholders.

9. **IMPLEMENTATION PLAN**

Implementation will commence on approval and documentation of the Tanzania Investment Centre. The following schedule of implementation is considered realistic:

Activity	Period
Application and Approval of TIC Certificate of Incentives	June 2013
Construction of Mill Houses	August 2013 – December 2013
Construction of Storage and other buildings	January 2014 – April 2014
Sourcing of plant, machinery and appropriate technology	May 2014 – June 2014
Purchase of plant, machinery & Equipment	July 2014 – August 2014
Delivery of Plant, Machinery & Equipment	September 2014
Manpower Recruitment and Training	October 2014
Trial Production	November 2014
Full commercial production.	December 2014

10 CONCLUDING REMARKS AND RECOMMENDATIONS

10.1 Overall Project Concept

The overall project concept is sound as it contributes to increased supply of maize flour products for human consumption. It also has great potential for generating foreign exchange for the economy.

10.2 Economic and Financial Viability

The technical analysis indicates that the project is both financially and economically feasible.

10.3 Social and Administrative Sustainability

The project is socially acceptable as it contributes directly to the national development objective. There are no likely social complexities with respect to the project.

10.4 Recommendations

The project is highly recommended for implementation and necessary approvals.

CAPITAL INVESTMENT (in USD)

Item	Equity	Loan	Total
Land, Buildings and/or Rent	75,000.00	-	75,000.00
Motor Vehicles	60,000.00	150,000.00	210,000.00
Office Furniture and Fittings	10,000.00	-	10,000.00
Plant, Equipment & Machinery	80,000.00	340,000.00	420,000.00
Preparation Expenses	15,000.00	-	15,000.00
Initial Working Capital	80,000.00	-	80,000.00
Total	320,000.00	490,000.00	810,000.00
Contribution in Percentage	40%	60%	100%

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Staff Remunerations Package (in USD)

Position	Employees	Salary	Monthly Pay	Annual Package
General Manager	1	500	500.00	6,000.00
Electrical Mechanic	1	200	200.00	2,400.00
Milling Technicians	2	150	300.00	3,600.00
Mill operators	2	60	120.00	1,440.00
Procurement & Logistics Manager	1	300	300.00	3,600.00
Procurement & Logistics Assistants	2	100	200.00	2,400.00
Stores Assistant cum Laboratory Technician	1	100	100.00	1,200.00
Drivers	3	80	80.00	960.00
Accountant	1	300	300.00	3,600.00
Cashier	1	150	150.00	1,800.00
Secretary cum Receptionist	1	150	150.00	1,800.00
Security guards	3	60	180.00	2,160.00
Sub Total			2,250.00	30,960.00
Payroll Levy 4%				1,238.40
10% Pension fund				3,096.00
Grant Total	19			35,294.40

Note: *

- 10% of the benefits will be for Social Security Fund's contribution.
- salary will be inclusive of housing allowance

Appendix III

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Operating Cost Schedule (in USD)

Guidelines:

- Operating cost will increased by 8% every year
- Insurance will be 2% of the major capital assets(Motor vehicles and Machinery/Equipment)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Insurance 2% of assets	8,100.00	8,748.00	9,447.84	10,203.67	11,019.96	11,901.56	12,853.68	13,881.98	14,992.53	16,191.94
Maize cost	120,000.00	126,360.00	136,460.00	147,380.00	159,170.00	171,910.00	185,660.00	200,510.00	216,550.00	233,880.00
Motor Running expense	7,200.00	7,776.00	8,398.08	9,069.93	9,795.52	10,579.16	11,425.50	12,339.53	13,326.70	14,392.83
Electricity & Water	5,600.00	6,048.00	6,531.84	7,054.39	7,618.74	8,228.24	8,886.50	9,597.42	10,365.21	11,194.43
Stationery & Office utilities	1,440.00	1,555.20	1,679.62	1,813.99	1,959.10	2,115.83	2,285.10	2,467.91	2,665.34	2,878.57
Communications	8,000.00	8,640.00	9,331.20	10,077.70	10,883.91	11,754.62	12,694.99	13,710.59	14,807.44	15,992.04
Repair and Maintenance	7,600.00	8,208.00	8,864.64	9,573.81	10,339.72	11,166.89	12,060.24	13,025.06	14,067.07	15,192.44
Lisence	3,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Travelling costs	2,500.00	2,700.00	2,916.00	3,149.28	3,401.22	3,673.32	3,967.19	4,284.56	4,627.33	4,997.51
Consultancy/Audit Fees	7,000.00	7,560.00	8,164.80	8,817.98	9,523.42	10,285.30	11,108.12	11,996.77	12,956.51	13,993.03
Contingency 10%	8,000.00	8,640.00	9,331.20	10,077.70	10,883.91	11,754.62	12,694.99	13,710.59	14,807.44	15,992.04
Directors/Board Fees	5,100.00	5,508.00	5,948.64	6,424.53	6,938.49	7,493.57	8,093.06	8,740.50	9,439.74	10,194.92
Total	183,540.00	191,743.20	207,073.86	223,642.96	241,534.00	260,863.12	281,729.37	304,264.92	328,605.31	354,899.74

Appendix IV

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Assumptions for Projections

- 10 Tons of Maize Flour per day or 3,000 Tons per year or 3,000,000 Kg per year
- 1 Kg of Maize Flour (Super) is estimated at \$ 0.80
- 1 Kg of Husk is estimated at \$ 0.31
- After 3 years ,Sales will Increase by 10% Every year

Sales Projections (in USD)

Product Type	Quantity in Kg p.a	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Maize Flour											
Flour (70%)	2,100,000	1,680,000	1,680,000	1,680,000	1,848,000	2,032,800	2,236,080	2,459,680	2,705,648	2,976,213	3,273,834
Husk (30%)	900,000	279,000	279,000	279,000	306,900	337,590	371,349	408,484	449,332	494,265	543,692
Total		1,959,000	1,959,000	1,959,000	2,154,900	2,370,390	2,607,429	2,868,164	3,154,980	3,470,478	3,817,526

Appendix V

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Assumptions for Projections

- Salaries and Wages will Increase by 5% Every year

Projected Income and Expenditure Statement (in USD)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Revenue:										
Sales	1,959,000	1,959,000	1,959,000	2,154,900	2,370,390	2,607,429	2,868,164	3,154,980	3,470,478	3,817,526
Total Income	1,959,000	1,959,000	1,959,000	2,154,900	2,370,390	2,607,429	2,868,164	3,154,980	3,470,478	3,817,526
Less: Expenses:										
Salary and wages	35,294.40	35,294	37,059	38,912	40,858	42,901	45,046	47,298	49,663	52,146
Operating expenses	183,540	191,743	207,074	223,643	241,534	260,863	281,729	304,265	328,605	354,900
Total Expenses	218,834	227,038	244,133	262,555	282,392	303,764	326,775	351,563	378,268	407,046
Operating Profit	1,740,166	1,731,962	1,714,867	1,892,345	2,087,998	2,303,665	2,541,389	2,803,417	3,092,210	3,410,480
Less: Interest	0	0	0	0	0	0	0	0	0	0
Profit Before tax	1,740,166	1,731,962	1,714,867	1,892,345	2,087,998	2,303,665	2,541,389	2,803,417	3,092,210	3,410,480
Cummulative Profit	1,740,166	3,472,128	5,186,995	7,079,340	9,167,338	11,471,004	14,012,393	16,815,810	19,908,021	23,318,501

Depreciation Schedule (in USD)

NO:	Item	Rate	Method	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X	R/Value
1	Land and buildings	2%	DB												
	Opening Balance			75,000.00	75,000.00	73,500.00	72,030.00	70,589.40	69,177.61	67,794.06	66,438.18	65,109.41	63,807.23	62,531.08	
	Depreciation				1,500.00	1,470.00	1,440.60	1,411.79	1,383.55	1,355.88	1,328.76	1,302.19	1,276.14	1,250.62	
	Closing Balance				73,500.00	72,030.00	70,589.40	69,177.61	67,794.06	66,438.18	65,109.41	63,807.23	62,531.08	61,280.46	61,280.46
2	Motor Vehicle	25%	SLM												
	Opening Balance			210,000.00	210,000.00	157,500.00	105,000.00	86,500.00	64,875.00	43,250.00	21,625.00	0.00	0.00	0.00	
	Depreciation				52,500.00	52,500.00	52,500.00	21,625.00	21,625.00	21,625.00	21,625.00	0.00	0.00	0.00	
	Closing Balance				157,500.00	105,000.00	52,500.00	64,875.00	43,250.00	21,625.00	0.00	0.00	0.00	0.00	0.00
3	Furniture and Fittings	12.5%	DB												
	Opening Balance			10,000.00	10,000.00	8,750.00	7,656.25	6,699.22	5,961.82	5,129.09	4,487.95	3,926.96	3,436.09	3,006.58	
	Depreciation				1,250.00	1,093.75	957.03	837.40	732.73	641.14	560.99	490.87	429.51	375.82	
	Closing Balance				8,750.00	7,656.25	6,699.22	5,861.82	5,129.09	4,487.95	3,926.96	3,436.09	3,006.58	2,630.76	2,630.76
4	Equipment and Machinery	25.0%	DB												
	Opening Balance			420,000.00	420,000.00	315,000.00	236,250.00	177,187.50	132,890.63	99,667.97	74,750.98	56,063.23	42,047.42	31,535.57	
	Depreciation				105,000.00	78,750.00	59,062.50	44,296.88	33,222.66	24,916.99	18,687.74	14,015.81	10,511.86	7,883.89	
	Closing Balance				315,000.00	236,250.00	177,187.50	132,890.63	99,667.97	74,750.98	56,063.23	42,047.42	31,535.57	23,651.68	23,651.68
	Total Invest. & Reinvestment			810,000.00	810,000.00	554,750.00	420,936.25	340,976.12	272,805.05	215,841.12	167,302.11	125,099.61	109,290.74	97,073.23	
	Total Depreciation				160,250.00	133,813.75	113,960.13	68,171.07	56,963.94	48,539.01	42,202.50	15,808.87	12,217.51	9,510.34	

Note: DB - Declining Balance Method
 SL - Straight Line Method

Working Capital Schedule (In USD)

Item\ Year	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Current Assets:										
Debtors 1 month of sales	120,750.00	149,770.00	183,900.00	212,575.00	217,532.00	221,288.85	239,013.66	262,915.00	289,206.50	318,127.13
Trade debtors insurance - 1 Year	9,700.00	14,446.00	15,601.68	16,849.81	18,197.80	19,653.62	21,225.91	22,923.99	24,757.91	26,738.54
Total Current Assets	130,450.00	164,216.00	199,501.68	229,424.81	235,729.80	240,942.47	260,239.57	285,838.99	313,964.41	344,865.66
Current Liabilities:										
Salaries and wages (1 month)	2,941.20	3,088.26	3,242.67	3,404.81	3,575.05	3,753.80	3,941.49	4,138.56	4,345.49	4,562.77
Electricity & Water (1 month)	466.67	504.00	544.32	587.87	634.89	685.69	740.54	799.78	863.77	932.87
Communications (1 month)	666.67	720.00	777.60	839.81	906.99	979.55	1,057.92	1,142.55	1,233.95	1,332.67
Transport and Fuel (1 month)	600.00	648.00	699.84	755.83	816.29	881.60	952.12	1,028.29	1,110.56	1,199.40
Maize Cost (1 month)	10,000.00	10,800.00	11,664.00	12,597.12	13,604.89	14,693.28	15,868.74	17,138.24	18,509.30	19,990.05
Total Current Liabilities	14,674.53	15,760.26	16,928.43	18,185.43	19,538.12	20,993.92	22,560.81	24,247.44	26,063.07	28,017.75
Net Working Capital	115,775.47	148,455.74	182,573.25	211,239.39	216,191.68	219,948.56	237,678.76	261,591.55	287,901.33	316,847.91
Change in Working Capital	115,775.47	32,680.27	34,117.51	28,666.14	4,952.30	3,756.88	17,730.20	23,912.79	26,309.78	28,946.58

Appendix VIII

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Cashflow Projections (in USD)

Item	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Inflows:										
Equity	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00
Loan Capital	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00
Profit Before Tax	1,740,166.00	1,731,962.00	1,714,867.00	1,892,345.00	2,087,998.00	2,303,665.00	2,541,389.00	2,803,417.00	3,092,210.00	3,410,480.00
Depreciation	160,250.00	133,813.75	113,960.13	68,171.07	56,963.94	48,539.01	42,202.50	15,808.87	12,217.51	9,510.34
Total Inflows	2,710,416.00	2,675,775.75	2,638,827.13	2,770,516.07	2,954,961.94	3,162,204.01	3,393,591.50	3,629,225.87	3,914,427.51	4,229,990.34
Outflows:										
Investment	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00	810,000.00
Reinvestment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Working Capital	115,775.47	32,680.27	34,117.51	28,666.14	4,952.30	3,756.88	17,730.20	23,912.79	26,309.78	28,946.58
Total Outflows	925,775.47	842,680.27	844,117.51	838,666.14	814,952.30	813,756.88	827,730.20	833,912.79	836,309.78	838,946.58
Operating Cashflow	1,784,640.53	1,833,095.48	1,794,709.62	1,931,849.93	2,140,009.64	2,348,447.13	2,565,861.30	2,795,313.08	3,078,117.73	3,391,043.76
Less: Loan Instalment	0.00	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	17,142.86	0.00	0.00
Net Cashflow	1,784,640.53	1,815,952.62	1,777,566.76	1,914,707.07	2,122,866.78	2,331,304.27	2,548,718.44	2,778,170.22	3,078,117.73	3,391,043.76
Cummulative Cashflows	1,784,640.53	3,600,593.15	5,378,159.92	7,292,866.99	9,415,733.77	11,747,038.04	14,295,756.49	17,073,926.71	20,152,044.44	23,543,088.20

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Discounted Cashflows (in USD)

Item	Year 0	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Inflows:											
Profit Before Tax		1,740,166.00	1,731,962.00	1,714,867.00	1,892,345.00	2,087,998.00	2,303,665.00	2,541,389.00	2,803,417.00	3,092,210.00	3,410,480.00
Depreciation		160,250.00	133,813.75	113,960.13	68,171.07	56,963.94	48,539.01	42,202.50	15,808.87	12,217.51	9,510.34
Residue Value		0.00	0.00	0.00	0.00	231,445.04	200,561.86	172,177.04	145,689.74	138,710.16	132,835.08
Total Inflows	0.00	1,900,416.00	1,865,775.75	1,828,827.13	1,960,516.07	2,376,406.98	2,552,765.87	2,755,768.54	2,964,915.61	3,243,137.67	3,552,825.42
Outflows:											
Investment	810,000.00	810,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reinvestment		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Change in Working Capital		115,775.47	32,680.27	34,117.51	28,666.14	4,952.30	3,756.88	17,730.20	23,912.79	26,309.78	28,946.58
Total Outflows	810,000.00	925,775.47	32,680.27	34,117.51	28,666.14	4,952.30	3,756.88	17,730.20	23,912.79	26,309.78	28,946.58
Net Cashflows	-810,000.00	1,784,640.53	1,833,095.48	1,794,709.62	1,931,849.93	2,371,454.68	2,549,008.99	2,738,038.34	2,941,002.82	3,216,827.89	3,523,878.84

NPV at 25%	5,459,289.49	
NPV at 30%	4,356,462.85	
IRR	72.40	

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Projected Balance Sheet (in USD)

Particulars	Year I	Year II	Year III	Year IV	Year V	Year VI	Year VII	Year VIII	Year IX	Year X
Assets:										
Fixed Assets (net)	234,900.00	245,850.00	260,351.75	265,625.18	271,445.04	280,561.86	292,177.04	295,689.74	308,710.16	322,835.08
Current Assets:										
Cash & bank	127,058.71	113,302.51	101,131.07	96,015.68	91,048.25	85,707.27	77,054.04	73,991.27	67,256.16	59,652.43
Debtors	28,133.33	29,293.33	30,485.33	31,149.07	32,002.21	33,068.32	34,374.22	35,950.52	36,832.23	37,059.44
Total Current Assets	155,192.04	142,595.84	131,616.40	127,164.75	123,050.47	118,775.59	111,428.26	109,941.79	104,088.39	96,711.87
Less: Current Liabilities:										
Trade Creditors	2,124.36	2,257.58	2,399.62	2,551.09	2,712.66	2,885.02	3,068.95	3,265.24	3,474.77	3,698.49
Net Current Assets	2,124.36	2,257.58	2,399.62	2,551.09	2,712.66	2,885.02	3,068.95	3,265.24	3,474.77	3,698.49
Net Total Assets	387,967.68	386,188.26	389,568.53	390,238.84	391,782.85	396,452.43	400,536.35	402,366.29	409,323.78	415,848.46
Financed by:										
Equity	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00	320,000.00
Loan	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	490,000.00	0.00	0.00
Reserves	67,967.68	66,188.26	69,568.53	70,238.84	71,782.85	76,452.43	80,536.35	82,366.29	89,323.78	95,848.46
Net Worth	387,967.68	386,188.26	389,568.53	390,238.84	391,782.85	396,452.43	400,536.35	402,366.29	409,323.78	415,848.46

Appendix XI

M/S SOP'S FOOD AND GRAINS INVESTMENT LIMITED P.O. BOX 5040 MBEYA

Loan Repayment Schedule (in USD)

Amount 490,000

Period 60 Months

Rate 19% p.a

	490,000	60	19.00%		
	Start	Interest	End	Payment	Balance
1	490,000	7,758	497,758	12,711	485,047
2	485,047	7,680	492,727	12,711	480,017
3	480,017	7,600	487,617	12,711	474,906
4	474,906	7,519	482,425	12,711	469,714
5	469,714	7,437	477,152	12,711	464,441
6	464,441	7,354	471,794	12,711	459,083
7	459,083	7,269	466,352	12,711	453,641
8	453,641	7,183	460,824	12,711	448,113
9	448,113	7,095	455,208	12,711	442,497
10	442,497	7,006	449,504	12,711	436,793
11	436,793	6,916	443,709	12,711	430,998
12	430,998	6,824	437,822	12,711	425,111
13	425,111	6,731	431,842	12,711	419,131
14	419,131	6,636	425,767	12,711	413,056
15	413,056	6,540	419,597	12,711	406,886
16	406,886	6,442	413,328	12,711	400,617
17	400,617	6,343	406,960	12,711	394,249
18	394,249	6,242	400,492	12,711	387,781
19	387,781	6,140	393,921	12,711	381,210
20	381,210	6,036	387,246	12,711	374,535
21	374,535	5,930	380,465	12,711	367,754
22	367,754	5,823	373,577	12,711	360,866

Total Interest

272,652

22	367,754	5,823	373,577	12,711	360,866
23	360,866	5,714	366,580	12,711	353,869
24	353,869	5,603	359,472	12,711	346,761
25	346,761	5,490	352,251	12,711	339,540
26	339,540	5,376	344,916	12,711	332,205
27	332,205	5,260	337,465	12,711	324,755
28	324,755	5,142	329,896	12,711	317,186
29	317,186	5,022	322,208	12,711	309,497
30	309,497	4,900	314,397	12,711	301,686
31	301,686	4,777	306,463	12,711	293,752
32	293,752	4,651	298,403	12,711	285,692
33	285,692	4,523	290,216	12,711	277,505
34	277,505	4,394	281,899	12,711	269,188
35	269,188	4,262	273,450	12,711	260,739
36	260,739	4,128	264,868	12,711	252,157
37	252,157	3,992	256,149	12,711	243,438
38	243,438	3,854	247,293	12,711	234,582
39	234,582	3,714	238,296	12,711	225,585
40	225,585	3,572	229,157	12,711	216,446
41	216,446	3,427	219,873	12,711	207,162
42	207,162	3,280	210,442	12,711	197,732
43	197,732	3,131	200,862	12,711	188,151
44	188,151	2,979	191,130	12,711	178,420
45	178,420	2,825	181,245	12,711	168,534
46	168,534	2,668	171,202	12,711	158,491
47	158,491	2,509	161,001	12,711	148,290
48	148,290	2,348	150,638	12,711	137,927
49	137,927	2,184	140,111	12,711	127,400
50	127,400	2,017	129,417	12,711	116,706
51	116,706	1,848	118,554	12,711	105,843
52	105,843	1,676	107,519	12,711	94,808
53	94,808	1,501	96,309	12,711	83,598
54	83,598	1,324	84,922	12,711	72,211
55	72,211	1,143	73,354	12,711	60,644
56	60,644	960	61,604	12,711	48,893
57	48,893	774	49,667	12,711	36,956
58	36,956	585	37,541	12,711	24,830
59	24,830	393	25,224	12,711	12,513
60	12,513	198	12,711	12,711	0
		272,652			

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLE OF ASSOCIATION

OF

SOP'S FOOD AND GRAINS INVESTMENT
LIMITED

Incorporated the _____ day of _____ 2013

Drawn By:

SHABAN .A. MWASOPO
(SUBSCRIBER)
P.O. BOX 71534
DAR ES SALAAM

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLE OF ASSOCIATION

OF

SOP'S FOOD AND GRAINS INVESTMENT
LIMITED

Incorporated the _____ day of _____ 2013

Drawn By:

SHABAN .A. MWASOPO
(SUBSCRIBER)
P.O. BOX 71534
DAR ES SALAAM

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
SOP'S FOOD AND GRAINS INVESTMENT LIMITED

1. The name of the company is "SOP'S FOOD AND GRAINS INVESTMENT LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the company is established are:-
 - a) To carry out the business of farming, milling, selling, buying, distributing, exporting, importing, extracting and / or processing rice, maize, wheat, gram, cassava, millet, sorghum, groundnuts, beans, oil-seeds or other cereal of seeds or roots to get flour, cooking-oil, animal feeds and /or other consumable products therefrom.
 - b) To carry on the industry and business of salt, milling maize, rice, producing, packing, repackaging, importing, exporting, marketing of all kinds of, edible oils, cooking fats margarine and bye- products thereof.
 - c) To engage in and carry on business of buying, selling, processing cashew nuts, cultivate, grow, prepare for market sunflower, cashew nuts, coffee and onions, food crops of all kinds as well as vegetables, dairy or mineral products and to dispose of, sell or deal in any such produce either in its raw or in its manufactured or processed state.
 - d) To carry on the business of farming tea, harvesting and processing, parked, selling, and export and import.
 - e) To carry on the business as general food processors, packers, to be general suppliers of foods stuffs and agricultural crops, grain millers, food mixers, general exporters of fresh fruits, vegetables and flowers, to act as agents of buying and selling all kinds of foods stuffs, agricultural equipments of every description, and generally to deal in any other business connected therewith.
 - f) To carry on the business of packing of all kinds of species, salt chemicals including industrial chemicals and all products. To extract, process, refine, distil, conserve, manufacture and general deal in, and all kinds of soaps, detergents, soap chips, all kinds of oil, fats, fatty acids, oleaginous and fatty substance, all kinds of unguents and ingredients and all products of the same.

- g) To carry on the business as ranchers, breeder of animals of all kinds as dairy, poultry and ostrich, farmers and as ranchers, breeder of animals of all kinds, as dairy, poultry farmers and as millers, grazers, gardeners seed growers and fruit preservers.
- h) To deal in livestock, market gardeners, arboriculturists, agriculturists, horticulturists and dairymen, vegetable oils extracts, poultry and beekeepers, and any other trade or business in connection with floriculture, arboriculture, agriculture or horticulture.
- i) To acquire land by purchasing, lease or otherwise for livestock and agricultural use and other investments purposes, and develop the land into livestock keeping chicken, broiler, farming or animal fattening farms, paddy rice farms, wheat farms, cotton farm, sesame seed farms, aloe vera plantations, oil palm plantations, coconut plantations, cashew nuts plantations, and into any other crop farms and plantations and engage in livestock processing to produce export quality meat and other various livestock products, and engage in agro - processing to produce export quality rice, cotton lint, edible oils, all kinds of flours, cashew nuts, beekeeping, bio-fuels, and any other product from the farms, the plantations and from any other crop.
- j) To carry on the business of farming and animal husbandry operate well stocked dairy farm maintain horticulture garden professionally and do the business of Agro- Mechanics, be stockist and agent of fertilizer and other farm implements in Tanzania and in the East African Region.
- k) To carry on the business as general buyers, exporters of agricultural crops and products, such as coffee, tea, sisal, cotton, beans, cashew nuts, cereals, peanuts, cowpeas, yellow gram green monks and to be general suppliers in local and export markets, to be general bakers and confectioners and generally to be traders and manufactures of the above.
- l) To acquire, take over, promote, establish, engage in and carry on the business of professional seed growers, farmers of tea, trees, sunflower, planters, harvesters, sprayers, seed growers, glaziers, breeders of and dealers in livestock, market gardeners, arboriculturists, agriculturists, horticulturists and dairymen, seed oils extracts, vegetable oils extracts, poultry and beekeepers and any other trade or business in connection with floriculture, arboriculture, agriculture or horticulture.
- m) To engage in vegetables seeds production and marketing of horticultural products to carry on the business of farming, cultivating, planting growing tea, cash and food crops, producing seed oil, inter alia, sugar cane, coffee, cocoa, coconut, papaya and pyrethrum. To provide agricultural consultations, training, research and advisory services to farmers and livestock keepers through seminars, workshops field visits and farm demonstrations.

- n) To carry on business of processing of trees and its allied products including timber- cutting production, forestry and cultivation of man - made forest and to process forest products including the process of cutting , lumbering and all other forest products.
- o) To carry on the business as general merchants, traders, consumers, suppliers, importers, exporters, stockists, wholesalers, retailers and dealers in all types of agricultural implements all kinds of industrial projects machinery and equipment, electrical goods, hardware, building materials, sanitary - ware, wall papers, roofing tiles, flooring tiles, spare parts and maintenance, tyres, tubes, tools and accessories, timber, decorators, steel fabrication, machine hop, nickel plating, electric plating, making steel windows, doors, frames and roof tresses, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods all types of leather goods, shoes, bags and other similar goods.
- p) To operate shops and to acquire and distribute all varieties agricultural equipment and implements including high technology equipment, computer hardware and software.
- q) To acquire, take over, promote, establish, engage in and carry on the business of professional farmers, planters, harvesters, sprayers, seed growers, sellers, buyers, general merchandise and commodities, coffee, instant coffee, raw coffee, cocoa, green peas, foods and cash crops, maize, tea, rice, beans, wheat, tobacco, leather products leather goods, glaziers, breeders of and dealers in livestock, market gardeners, aboriculturists, agriculturists, horticulturists and dairymen, vegetable oils extracts, poultry and beekeepers and any other trade or business in connection with floriculture, arboriculture , agriculture or horticulture.
- r) To engage in and carry out the business of proprietors and managers of 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.
- s) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- t) To carry on all or any of the business of fuel supplying, transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carries 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.

- u) To carry on the business of and dealers in Software Designing, Development Configuration and Deploying, Computer Network solution, Voice Network solution, Web Development and Hosting, Preventive Maintenance Contract for Computers and Peripheral devices and LAN, WAN, WLAN and PABX installation.
- v) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate travelling to organize hunting, tented - camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, car hiring, wildlife and marine products of all kind.
- w) To carry on the business of providing Internet Network Services, consultancy and selling of all types of information technologies, computer systems, conference systems, conference systems, marketing, services, telecommunication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- x) To carry on the business of services, consultancy, types of information technologies, computer systems, conference systems, telecommunication system, security systems, marketing, services, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- y) To establish and carry on the business information technology products, distributors, exporter and generally to be agent suppliers of mobile phones, computers, Internet facilities and radio communications.
- z) To carry on business of Telecommunications, Information Technology solutions, maintenance, repair, retailing, Consultancy, sell, purchase and satellite disc remover, LMB Low noise, free horn and all kinds of electronic products.
- aa) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address

systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any necessary or incidental to this business.

- bb) To carry on the business as traders, suppliers, general merchants importers, exporters, stockists, wholesalers, retailers and dealers in all types of electric and electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment of all kinds of industrial projects machinery and equipment, printing, timber, fishing gears, paints, corrugated iron sheets, hinges, screws, iron mongery all kinds of ready made garments and used clothes, all types of leather goods, tiles, shoes, bags and other similar goods.
- cc) To carry on the business of household, domestic appliance and electrical goods, audio visual goods, electronic items, building material, hardwares, foodstuff, agricultural products and merchandise of every nature, kind and description whatsoever as a importer, exporter, dealer, wholesaler, retailer, distributor and after sales service and repairing.
- dd) To carry on the business of management of all kind of construction works and construction management, property management, real estate and any related works thereto.
- ee) To carry on the business of builders and civil contractors, engineers, founders, construct, maintain, repairs, pull down and restore either alone or jointly and establish jointly ventures with other companies, persons works or all descriptions including ginneries oil mills, textiles, factories, engines, roads, bridges, machineries and houses, offices, workshops, buildings and premises and any fixed or movable machineries, tools, plant, implements, patterns, stock - in - trade, patents and paten rights, technical know- how, goodwill liabilities and engagements of or connected with workshops.
- ff) To engage and or carry on the business of general civil works, engineering, buildings, road constructions renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of fad gets whatsoever, to be timber processors, saw millers and suppliers, manufactures of electrical equipments and suppliers.
- gg) To carry on the business of building contractors, mansory and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, sharves, 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.

- hh) To carry on the business of management of all kind of construction works and construction management, property management, real estate and any related works thereto.
- ii) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- jj) 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.
- kk) 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.
- ll) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- mm) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- nn) 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.
- oo) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes, and effects supposed to contain minerals, diamonds, or other precious stones and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- pp) To carry on business as dedicated hirers of mine equipments, working tools, minesite vehicles, safety and protective devices, lorries and heavy duty trucks, tractors, excavators bulldozers, motor vehicles telecommunication equipments, radios and wireless telecommunication equipment and any other equipments necessary or convenient for the

purpose of or in connection with the provision of technical services to the mining industry and mining operators.

- qq) To carry on business as importers of mining equipments, tools, plant and repairing and servicing of the same.
- rr) To enter into agreements with different mining companies, groups or individual miners on hiring and leasing of working equipments.
- ss) To carry on the business as jewellers, gold and silver smiths, dealers in curiosities, articles of virtue, coins, medals, bullion and stones and as manufactures of and dealers in gold and silver plate, plated articles, watches, clocks chronometers and optical and scientific instruments of any description.
- tt) To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
- uu) To carry on the business of general traders, merchants, manufactures representatives and to buy, sell, hire, manufacture, barter, trade and deal in property, mechanical machine shop, spare parts and machinery of every description, goods and articles and merchandise of all kinds and to transact any and every description of agency, insurance agents, commission, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business.
- vv) Securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit
- ww) To carry on the business of agents, consultants or representatives of foreign or local manufactures, industries or other like organizations in any type of goods, products, commodities and services.
- xx) To carry on the business of financial and managerial consultants and to act as managers, advisors and consultants in the field of accountancy, auditing business management and in any other business which may be useful carried in conjunction therewith.
- yy) To carry on the business as exporters, traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in business of scrapers, agricultural machinery, implements, equipment and all kinds of industrial projects machinery.
- zz) To carry on the business of spare parts for different types of machines and instruments including motor vehicle, 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.
- aaa) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installement or

otherwise or in fully or partly paid up shares on the company or corporation, with or without deferred or preferred or guaranteed rights.







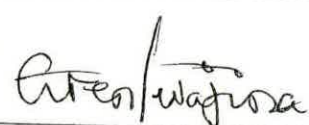

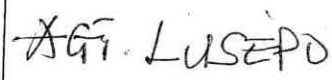
- bbb) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- ccc) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- ddd) To act as executors and trustees of will and settlements made by customers and other and undertake and execute trusts of all kinds.
- eee) To invest and deal with the money of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- fff) 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.
- ggg) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- hhh) 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.
- iii) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect or for affecting any modification of the Company's constitution, or any other purpose which may seem calculated, directly or indirectly to prejudice the company's interest.
- jjj) 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.
- kkk) 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 money.
- lll) To carry on the business of provision of security services, fire control and prevention services including supplying fire control equipments.

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

4. The liability of the Members is Limited.
5. The capital of the Company is Shillings 10,000,000/= divided into 1000 shares of shillings 10,000/= each.

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

We, the several 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	Signature
1.	SHABAN A. MWASOPO P.O. Box 71534 DAR ES SALAAM	550	
2.	EASTHER S. MWAMBONA P.O BOX 71534 DAR ES SALAAM	100	
3.	VICTOR MELELE P.O BOX 71534 DAR ES SALAAM	50	
4.	ATUGANILE MWASOPO P.O BOX 71534 DAR ES SALAAM	50	
5.	BARAKA MELELE P.O BOX 71534 DAR ES SALAAM	50	
6.	YUSTO MWASOPO P.O BOX 71534 DAR ES SALAAM	50	
7.	AGREN WAJINA P.O BOX 71534 DAR ES SALAAM	50	
8.	MICHAEL CHARLES P.O BOX 71534 DAR ES SALAAM	50	
9.	AGATHA LUSEPO P.O BOX 71534 DAR ES SALAAM	50	

Date at Dar es Salaam this 28th day of May 2013.

Witness to the above signatures

Name:

Signature: 

Postal Address:

Qualification:



TRANSFER OF SHARES

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

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

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

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

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

6. DIRECTORS

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than four in number.
- (b) The following persons shall be the first Directors of the company:-
 - 1. SHABAN .A. MWASOPO
 - 2. EASTHER .S. MWAMBONA
 - 3. VICTOR MELELE
 - 4. ATUGANILE MWASOPO
 - 5. BARAKA MELELE
 - 6. YUSTO MWASOPO
 - 7. AGREN WAJINA
 - 8. MICHAEL CHARLES
 - 9. AGATHA LUSEPO

- 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 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, or 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 hand 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 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 meeting of the directors for a period of six months without special leave of absence from the other Directors

SEAL

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

ALTERNATE DIRECTORS

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

SECRETARY

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

WINDING UP

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

ALTERNATION OR ADDITION

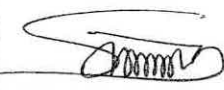
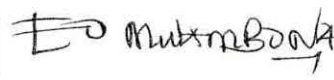



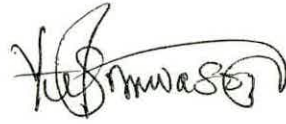
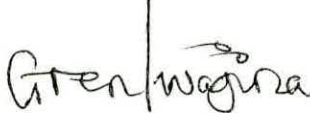


20. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by special resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by special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

INDEMNITY

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

ARBITRATION

22. If and whenever any dispute or difference shall arise between the company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights or liabilities arising here under or arising out of the relation existing between the parties by the 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	Signature
1.	SHABAN A. MWASOPO P.O. Box 71534 DAR ES SALAAM	550	
2.	EASTHER S. MWAMBONA P.O BOX 71534 DAR ES SALAAM	100	
3.	VICTOR MELELE P.O BOX 71534 DAR ES SALAAM	50	
4.	ATUGANILE MWASOPO P.O BOX 71534 DAR ES SALAAM	50	
5.	BARAKA MELELE P.O BOX 71534 DAR ES SALAAM	50	
6.	YUSTO MWASOPO P.O BOX 71534 DAR ES SALAAM	50	
7.	AGREN WAJINA P.O BOX 71534 DAR ES SALAAM	50	
8.	MICHAEL CHARLES P.O BOX 71534 DAR ES SALAAM	50	
9.	AGATHA LUSEPO P.O BOX 71534 DAR ES SALAAM	50	

Date at Dar es Salaam this 28th day of May 2013.

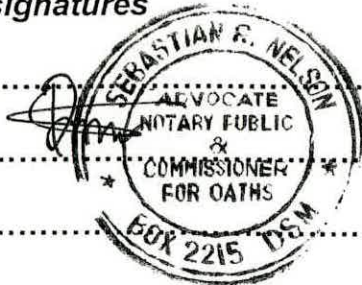
Witness to the above signatures

Name:

Signature:

Postal Address:

Qualification:



TANZANIA



Certificate of Incorporation

Section 15

No 99832

I HEREBY CERTIFY THAT

SOP'S FOOD AND GRAINS INVESTMENT 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 5TH day of JUNE

TWO THOUSAND AND THIRTEEN

CERTIFIED TRUE COPY OF THE ORIGINAL
TASCO R. LUAMBANO
ADVOCATE, NOTARY PUBLIC &
COMMISSIONER FOR OATHS
Sign: Tasco Date: 01/07/13

Asst. Registrar of Companies



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We SHABAN A. MWASOPO
(director/directors/agent of SOP'S FOOD AND GRAINS INVESTMENT LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVE
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT No. 25 "A" UYOLE
AREA IN MBEYA CITY.

Copies of the following documents are attached to this application:

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

3. The Head Office of the Company will be situated at PLOT No. 25 "A" UYOLE, MBEYA

4. The Principal Officers of the Company are ① SHABAN MWASOPO
② EASTHER S. MWAMBONO ③ VICTOR MELELE
④ ATUGANILE MWASOPO ⑤ BARAKA MELELE ⑥ YUSTO
MWASOPO ⑦ AGREN WAJINA ⑧ MICHAEL CHARLES
⑨ AGATHA LUSEPO

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

6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tshs.~~/US\$ 810,000/=
8. The month and day of the financial year end is 31ST DECEMBER

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

I/~~We~~ enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./~~US\$~~ 162,000/= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I. SHABAN MWASOPO of Post Office Number 5040

MBEYA do solemnly and sincerely declare that I am a director/~~my~~ authorized agent of SOP'S FOOD AND GRAINS INVESTMENT 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 MBEYA ~~Dares Salaam~~ }
 The 1st day of July 2013 }



[Signature]
Applicant

Before me:



[Signature]

Commissioner for Oaths

APPLICATION SUMMARY

Company Name: SOP'S FOOD AND GRAINS INVESTMENT LIMITED

Certificate of Incorporation Number: 99832 Status: NEW

Certificate of Incorporation Date: 5TH JUNE 2013

Post Box: 5040

Town: MBEYA

Sector: MANUFACTURING Sub-Sector: MAIZE FLOUR MILLING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>320,000</u>	.....	<u>490,000</u>

Project Objectives: TO ESTABLISH AND OPERATE MAIZE FLOUR PROCESSING FACILITY IN MBEYA CITY.

Capacity: 3.0 TONS PER DAY

Employment: Foreign: 0 Local: 19 Total: 19

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT NO. 25 BLOCK "A"

Street: UYOLE District: MBEYA Region: MBEYA
(Attach sketch map showing project location)

Shareholders	Nationality	%
① SHABAN MWASOPO	<u>TZ</u>	<u>55%</u>
② EASTER MWAMBONA	<u>-11-</u>	<u>10%</u>
③ VICTOR MELELE	<u>-11-</u>	<u>5%</u>
④ ATUGANILE MWASOPO	<u>-11-</u>	<u>5%</u>
⑤ BARAKA MELELE	<u>-11-</u>	<u>5%</u>
⑥ YUSTO MWASOPO	<u>-11-</u>	<u>5%</u>
⑦ AGREN WAJINA	<u>-11-</u>	<u>5%</u>
⑧ MICHAEL CHARLES	<u>-11-</u>	<u>5%</u>
⑨ AGATHA LUSEPO	<u>-11-</u>	<u>5%</u>

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

Land/Building	..... 75,000
Plant, MACHINERY & EQUIPMENT	..... 420,000
Vehicles	..... 210,000
Furniture & Fittings	..... 10,000
Pre-expenses	..... 15,000
Others —
Working Capital	..... 80,000
TOTAL	..... 810,000

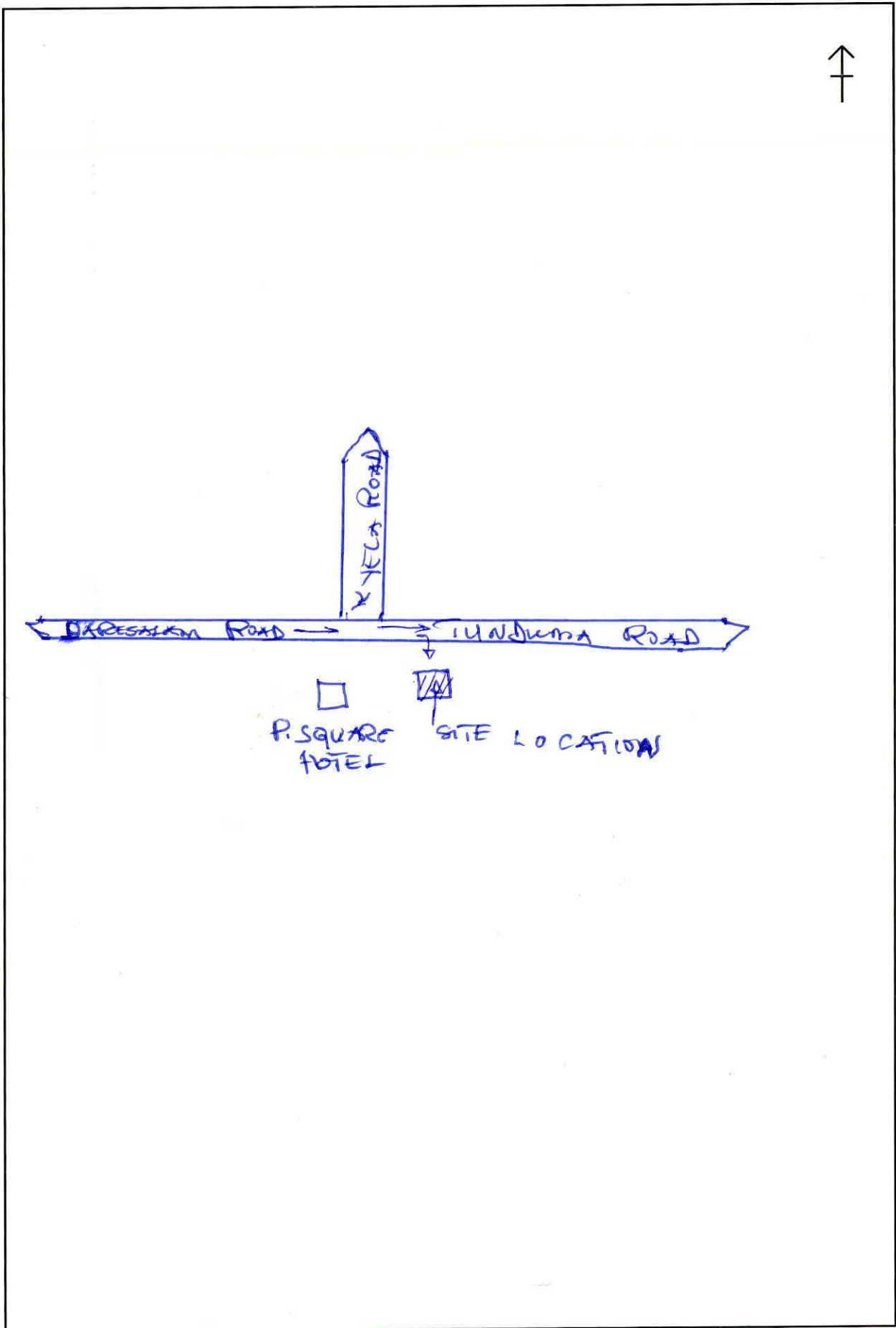
Contact Details:

Name: SHABAN A. MWASOPO Title: MANAGING DIRECTOR
Telephone: +255 25 2510217 Cell: +255 789 400004
Fax:
Email: sopsfoodandgraininvestmentltd@gmail.com

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA
THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We SHABAN A. MWASOPO
(director/directors/agent of SOP'S FOOD AND GRAINS INVESTMENT 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 PLOT No. 25 "A" UYOLE
AREA IN MBEYA CITY.

Copies of the following documents are attached to this application:

- ✓(i) The Memorandum and Articles of Association/or partnership agreement
- ✓(ii) Certificate of Incorporation/Registration
- ✓(iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- ✓(iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT No. 25 "A" UYOLE, MBEYA
4. The Principal Officers of the Company are ① SHABAN MWASOPO
② EASTER S. MWAMBONO ③ VICTOR MELELE
④ ATUGANILE MWASOPO ⑤ BARAKA MELELE ⑥ YUSTO
MWASOPO ⑦ AGREN WAJINA ⑧ MICHAEL CHARLES
5. Auditors of the Company are TO BE APPOINTED LATER.
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tsh.~~/US\$ 810,000/=

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

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 162,000/= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SHABAN MWASOPO of Post Office Number 5040

MBEYA do solemnly and sincerely declare that I am a director/~~agent~~

authorized agent of SOP'S FOOD AND GRAINS INVESTMENT 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 MBEYA }
~~Dar es Salaam~~ }

The 1st day of July 2013 }



[Signature]
Applicant

Before me:



[Signature]
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: SOP'S FOOD AND GRAINS INVESTMENT LIMITED

Certificate of Incorporation Number: 99832 Status: NEW

Certificate of Incorporation Date: 5TH JUNE 2013

Post Box: 5040

Town: MBEYA

Sector: MANUFACTURING Sub-Sector: MAIZE FLOUR MILLING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
.....	<u>320,000</u>	.....	<u>490,000</u>

Project Objectives: TO ESTABLISH AND OPERATE MAIZE FLOUR PROCESSING FACILITY IN MBEYA CITY.

Capacity: 30 TONS PER DAY

Employment: Foreign: 0 Local: 19 Total: 19

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT No. 25 BLOCK "A"

Street: UYOLE District: MBEYA Region: MBEYA

(Attach sketch map showing project location)

Shareholders	Nationality	%
① SHABAN MWASOPU	<u>TZ</u>	<u>55%</u>
② EASTHER MWAMBOA	<u>-11-</u>	<u>10%</u>
③ VICTOR MELELE	<u>-11-</u>	<u>5%</u>
④ ATUGANILE MWASOPU	<u>-11-</u>	<u>5%</u>
⑤ BARAKA MELELE	<u>-11-</u>	<u>5%</u>
⑥ YUSTO MWASOPU	<u>-11-</u>	<u>5%</u>
⑦ AGREN WAJINA	<u>-11-</u>	<u>5%</u>
⑧ MICHAEL CHARLES	<u>-11-</u>	<u>5%</u>
⑨ AGATHA LUSEPO	<u>-11-</u>	<u>5%</u>

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

Land/Building	..... 75,000
Plant, MACHINERY & EQUIPMENT	..... 420,000
Vehicles	..... 210,000
Furniture & Fittings	..... 10,000
Pre-expenses	..... 15,000
Others —
Working Capital	..... 80,000
TOTAL	..... 810,000

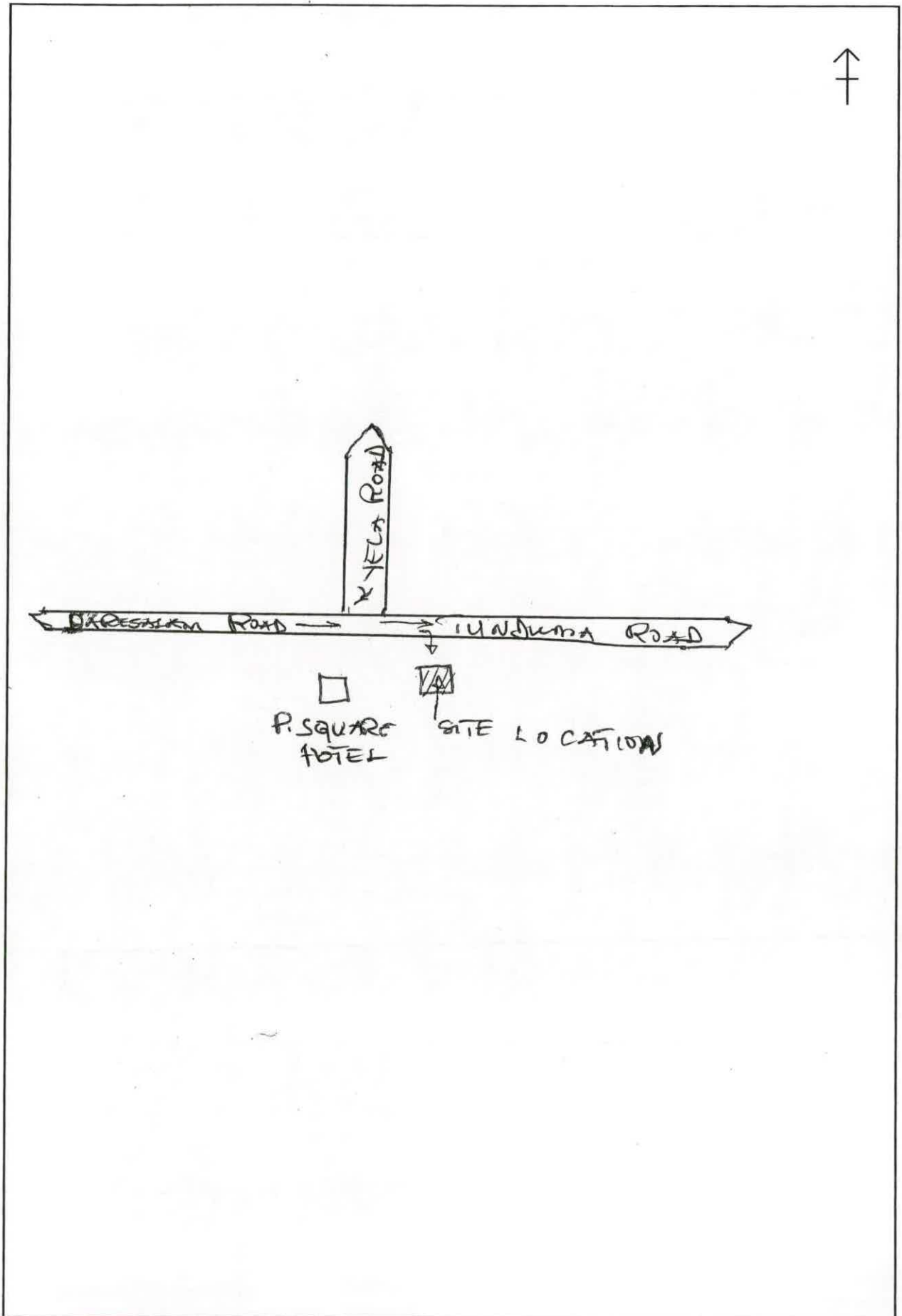
Contact Details:

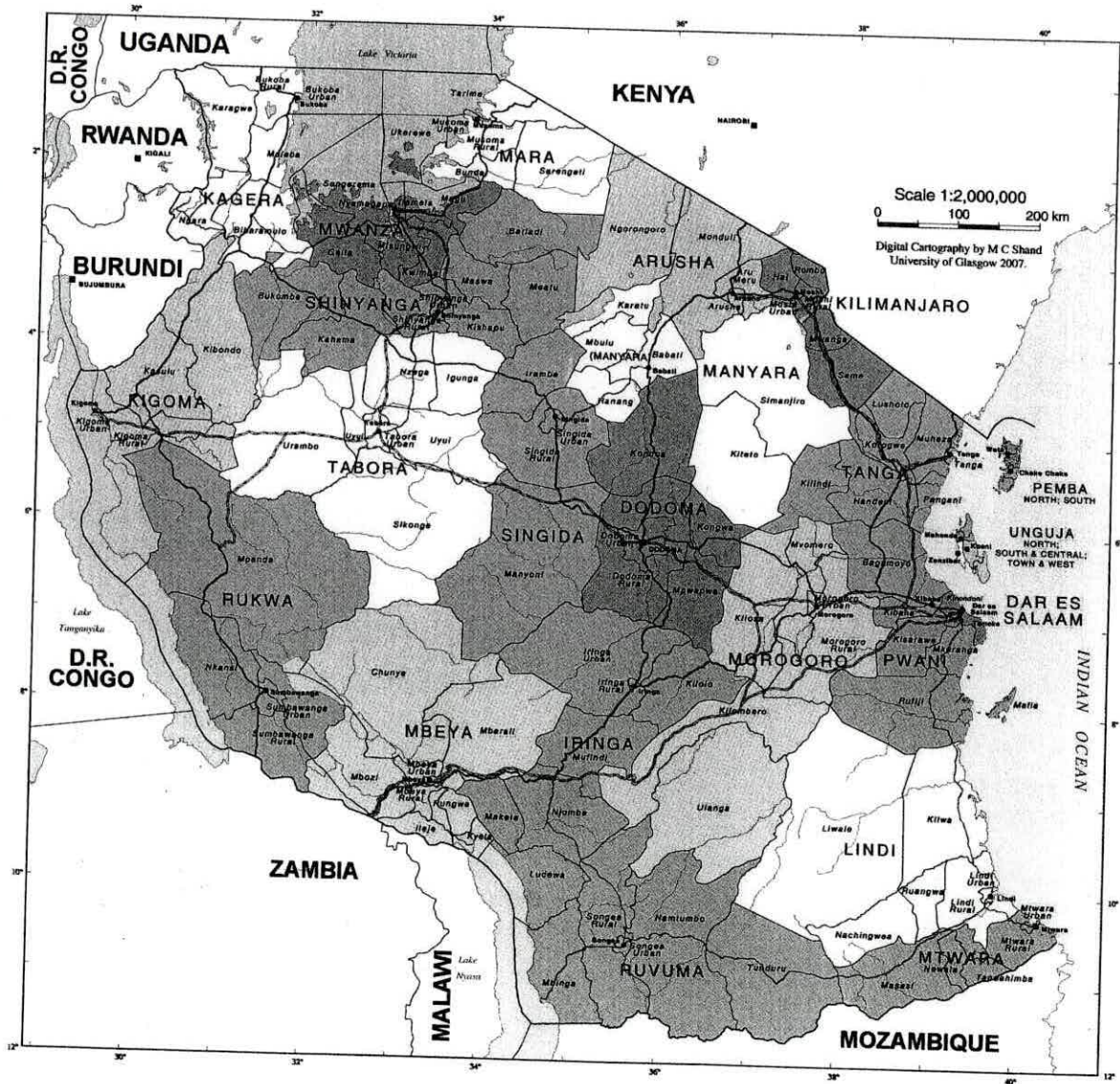
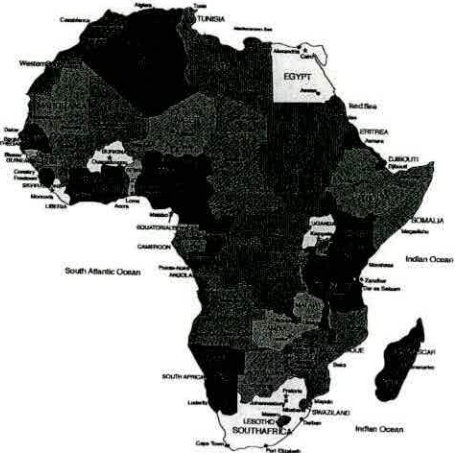
Name: SHARAN A. MWASOPO Title: MANAGING DIRECTOR
Telephone: +255 25 2510217 ^{CELL:} +255 789 400004
Fax: +255 789 400004
Email: sops food and grain investment ltd @ gmail . com

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

APPLICATION FOR REGISTRATION

(Made under Regulation 42)

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

1. I/We SHABAN A. MWASOPO
(director/directors/agent of SOP'S FOOD AND GRAINS INVESTMENT 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 PLOT No. 25 "A" UYOLE
AREA IN MBEYA CITY.

Copies of the following documents are attached to this application:

- ✓(i) The Memorandum and Articles of Association/or partnership agreement
✓(ii) Certificate of Incorporation/Registration
✓(iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
✓(iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT No. 25 "A" UYOLE, MBEYA
4. The Principal Officers of the Company are ① SHABAN MWASOPO
② EASTER S. MWAMBONO ③ VICTOR MELELE
④ ATUGANILE MWASOPO ⑤ BARAKA MELELE ⑥ YUSTO
MWASOPO ⑦ AGREN WAJINA ⑧ MICHAEL CHARLES
5. Auditors of the Company are TO BE APPOINTED LATER.
6. The authorized share capital of the Company is Tshs./US\$ 10,000,000/-

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 810,000/=

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

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 162,000/= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I SHABAN MWASOPO of Post Office Number 5040

MBEYA do solemnly and sincerely declare that I am a director/~~agent~~ authorized agent of SOP'S FOOD AND GRAINS INVESTMENT 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 MBEYA ~~Dares Salaam~~)
The 1st day of July 2013)



[Signature]
Applicant

Before me:



[Signature]
Commissioner for Oaths

APPLICATION SUMMARY

Company Name: SOP'S FOOD AND GRAINS INVESTMENT LIMITED

Certificate of Incorporation Number: 99832 Status: NEW

Certificate of Incorporation Date: 5TH JUNE 2013

Post Box: 5040

Town: MBEYA

Sector: MANUFACTURING Sub-Sector: MAIZE FLOUR MILLING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
	<u>320,000</u>		<u>490,000</u>

Project Objectives: TO ESTABLISH AND OPERATE MAIZE FLOUR PROCESSING FACILITY IN MBEYA CITY.

Capacity: 30 TONS PER DAY

Employment: Foreign: 0 Local: 19 Total: 19

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: PLOT No. 25 BLOCK "A"

Street: UYOLE District: MBEYA Region: MBEYA
(Attach sketch map showing project location)

Shareholders	Nationality	%
① SHABAN MWASOPO	<u>TZ</u>	<u>55%</u>
② EASTER MWAMBOA	<u>-||-</u>	<u>10%</u>
③ VICTOR MELELE	<u>-||-</u>	<u>5%</u>
④ ATUGANILE MWASOPO	<u>-||-</u>	<u>5%</u>
⑤ BARAKA MELELE	<u>-||-</u>	<u>5%</u>
⑥ YUSTO MWASOPO	<u>-||-</u>	<u>5%</u>
⑦ AGREN WAJINA	<u>-||-</u>	<u>5%</u>
⑧ MICHAEL CHARLES	<u>-||-</u>	<u>5%</u>
⑨ AGATHA LUSEPO	<u>-||-</u>	<u>5%</u>

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

Land/Building	75,000
Plant, MACHINERY & EQUIPMENT	420,000
Vehicles	210,000
Furniture & Fittings	10,000
Pre-expenses	15,000
Others	-
Working Capital	80,000
TOTAL	810,000

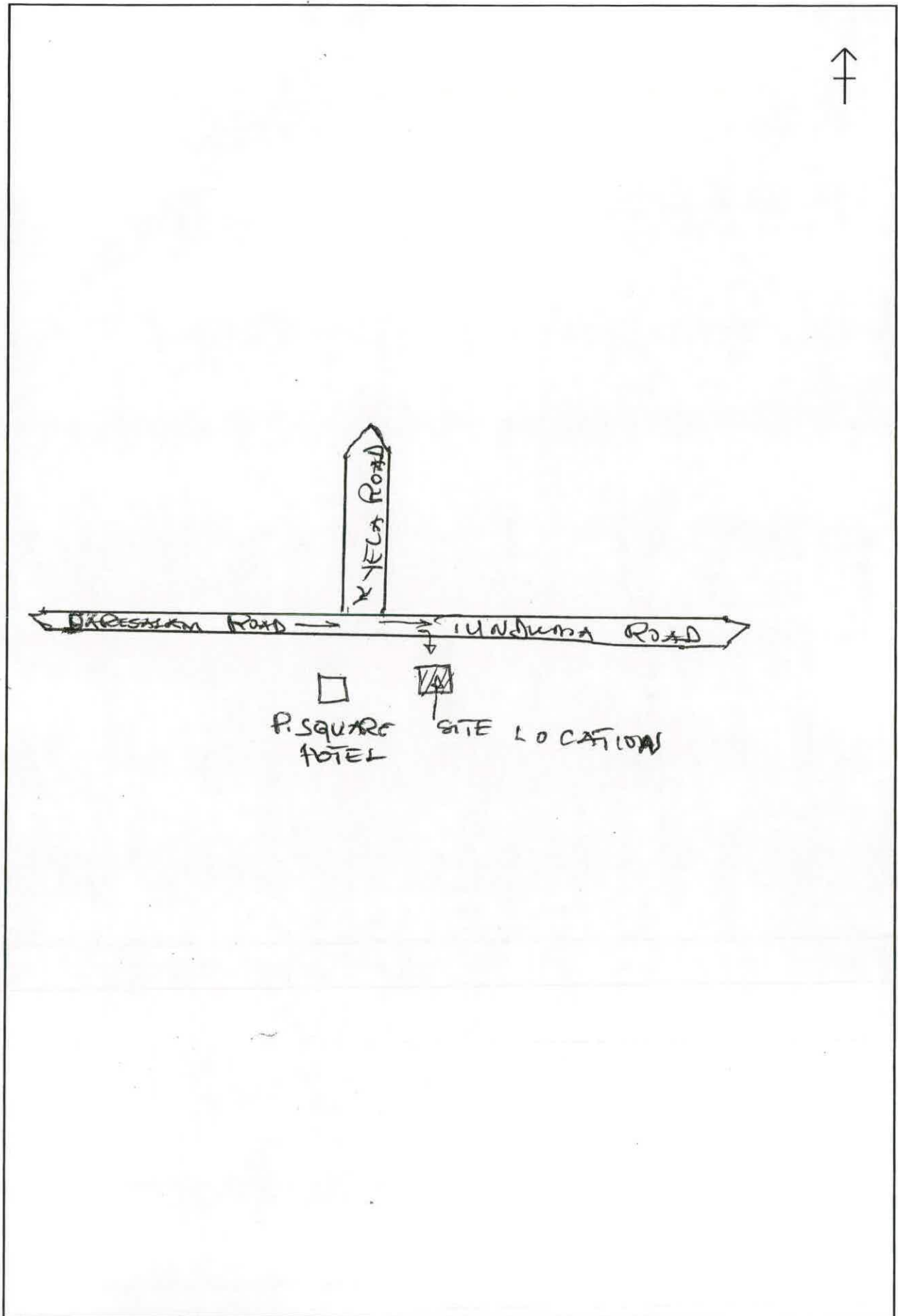
Contact Details:

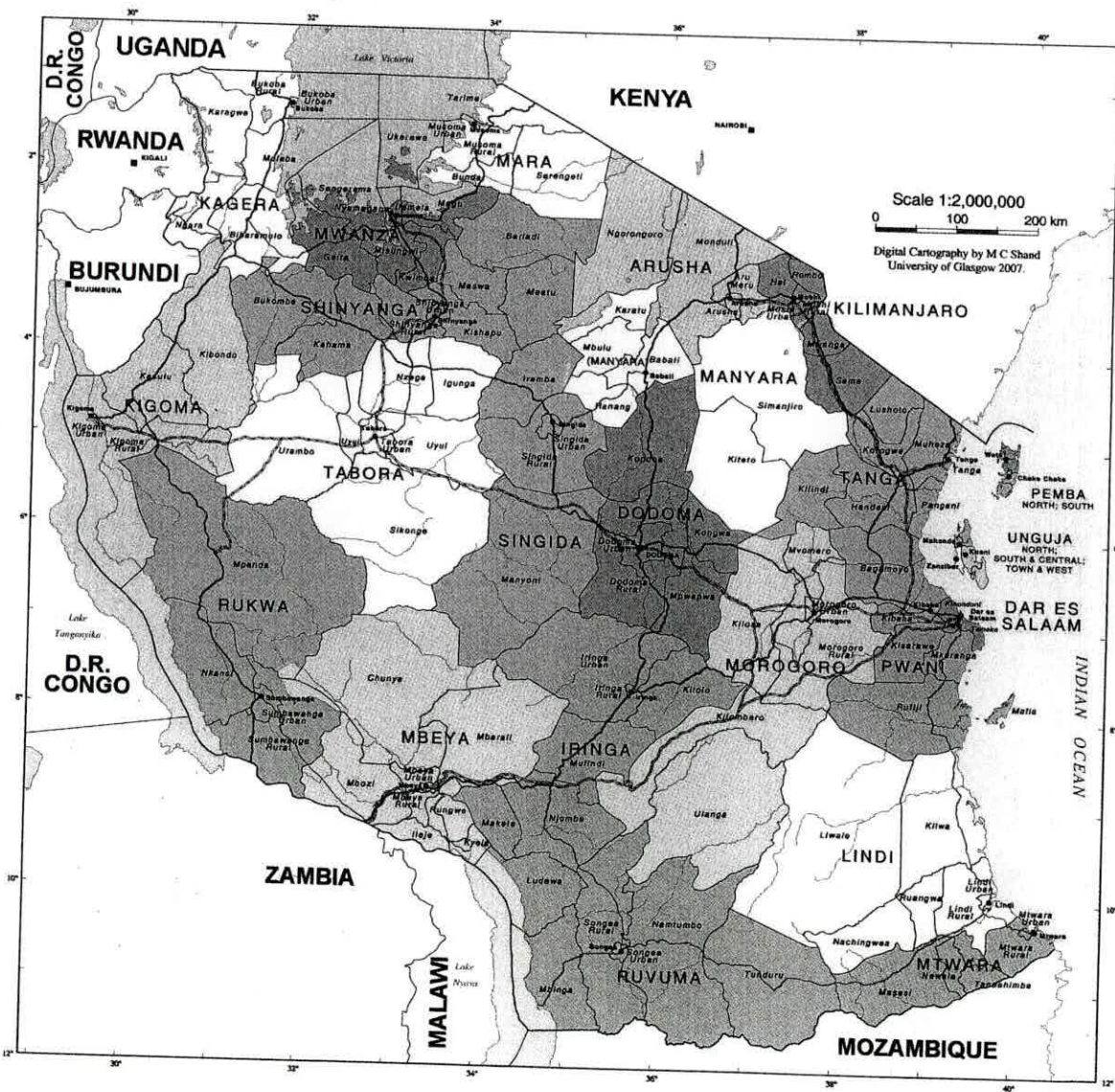
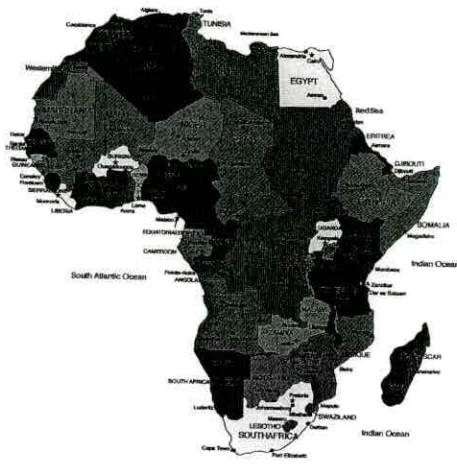
Name: SHABAN A. MWASOPO Title: MANAGING DIRECTOR
Telephone: +255 25 2510217 Cell: +255 789 400004
Fax: +255 789 400004
Email: sops.foodandgraininvestmentltd@gmail.com

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





SOP'S FOOD AND GRAINS INVESTMENT LIMITED

P.O. Box 5040, Mbeya - TANZANIA

Tel: +255 25 2510217; Cell: +255 789 400004

E-mail: sopsfoodandgraininvestmentltd@gmail.com

EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING HELD AT THE PROJECT LOCATION, PLOT NO. 25 BLOCK A UYOLE AREA IN MBEYA CITY ON 15TH DAY OF JUNE 2013

Present

1. Shaban A. Mwasopo	-	Chairman/Director
2. Easther S. Mwambona	-	Director/Secretary
3. Victor Melele	-	Director
4. Atuganile Mwasopo	-	Director
5. Baraka Melele	-	Director
6. Yusto Mwasopo	-	Director
7. Agren Wajina	-	Director
8. Michael Charles	-	Director
9. Agatha Lusepo	-	Director

AGENDA NO. 1/2013: APPLICATION FOR TANZANIA INVESTMENT CENTRE (TIC) CERTIFICATE OF INCENTIVES

At its meeting on 15th June 2013 at around 15.15 hrs, the Board of Directors of Sop's Food and Grains Investment Limited resolved to apply for the Certificate of Incentives from TIC to facilitate development and operation of Maize Flour Milling Project to be located at Plot No: 25 Block A Uyole Area in Mbeya City.

The Board resolved further that:

- This Certificate shall be used only for the purpose of the stated project and not otherwise.
- Mr. Shaban A. Mwasopo, Director and Shareholder of this company be and is hereby authorized, directed and empowered to execute for and on behalf of this company and its name any and all documents required in connection with this application.

The meeting was closed by the Chairman at around 16.20 hours.


.....
Chairman


.....
Secretary

LEASE AGREEMENT

1. **THIS AGREEMENT** made this TWENTY SEVENTH day of JUNE 2013 between MR. CHUMA MAGRINI MAHINYA of P.O. Box 5000 Mbeya, Tanzania (hereinafter referred to as "the Lessor") of the one part and SOP'S FOOD AND GRAINS INVESTMENT LIMITED of P.O. Box 5050 Mbeya, Tanzania (hereinafter referred to as "the Lessee") of the other part.

2. **WHEREAS** the Lessor is the owner of the Land and Buildings on PLOT No: 25 BLOCK "A" situated at UYOLE AREA, MBEYA CITY, MBEYA and is desirous of leasing THE LAND AND BUILDINGS (hereinafter referred to as the "Demised Premises") to the Lessee for a consideration of TSHS 200,000 (TWO HUNDRED THOUSAND ONLY) per month and,

3. **WHEREAS** the Lessee is desirous of taking in lease the abovementioned Demised Premises for the same consideration and upon the conditions and the terms hereinafter appearing.

4. NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

4.1 The period of tenancy herein referred as the "Contractual Period" shall be for Five (5) Years starting from the FIRST day of JULY 2013 to the THIRTY FIRST day of JUNE 2018 with an option for renewal following three months prior to the expiry date.

4.2 The monthly rent shall be TSHS 200,000 (SHILLINGS TWO HUNDRED THOUSAND ONLY) payable twelve months in advance and the receipt of the first such payment shall be signified by signing of the agreement.

5. THE LESSEE HEREBY COVENANTS WITH THE LESSOR AS FOLLOWS

5.1 Not to assign, sublet or part with the possession of the premises or any part thereof without the written consent of the Lessor.

5.2 Not to prevent the Lessor and/or his agent with or without workmen, at reasonable time of the day, after reasonable notice to the Lessee in that respect, to enter upon the premises to examine and/or execute major repairs to the said premises under the Lessor's covenants in that behalf.

5.3 To use the premises for lawful business purposes

5.4 To keep the premises and fixtures in good state of repair

5.5 Not to make any alterations or additions to the premises without the written consent of the Lessor

5.6 Not to do anything that will invalidate the insurance policy or cause an increase of risk and premium and pay for such damages unless the Lessor is eligible for insurance compensation

- 5.7 Unless the lease is renewed, within three months prior to the expiry of the contractual period, to surrender vacant possession of the premises to the Lessor
- 5.8 Either party may terminate the lease by giving the other party three months notice in writing of the desire to do so, any time from 12 months after this lease has become effective, on FIRST day of JUNE 2013.
- 5.9 If at any time during the lease the property becomes damaged by fire, not attributable to the Lessee, or by major forces and it becomes unfit for habitation/intended business, the Lessor shall afford the Lessee acceptable alternative accommodation/business premises or terminate the lease.

6. DISPUTE RESOLUTION

All the disputes arising out of the terms of this agreement shall be settled through negotiations or arbitration.

IN WITNESS WHEREOF; the parties hereto have set their respective hands on the day and the year in the manner herein below appearing:

LESSOR

SIGNED by the LESSOR, MR. CHUMA MAGRINI MAHINYA on the

01th day of JULAY 2013

NAME CHUMA MAGRINI MAHINYA

SIGNATURE *Chuma*

POSTAL ADDRESS 5000 MBEYA.

LESSEE

SIGNED by the LESSEE, SOP'S FOOD AND GRAINS INVESTMENT LIMITED on the

01th day of JULAY 2013

NAME SOP'S FOOD AND GRAINS INVESTMENT LIMITED

SIGNATURE *Stimma*

POSTAL ADDRESS P.O. Box 5040 MBEYA,



WITNESS TO ABOVE SIGNATURES

NAME TASCO LUAMBANO

SIGNATURE *Tasco*

POSTAL ADDRESS Box 847 MBEYA

QUALIFICATIONS ADVOCATE



SOP'S FOOD AND GRAINS INVESTMENT LIMITED

P.O. Box 5040, Mbeya - TANZANIA
Tel: +255 25 2510217; Cell: +255 789 400004
E-mail: sopsfoodandgraininvestmentltd@gmail.com

①

June 27 2013

Ref. No: SFGIL/TIC/2013/1

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



RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are planning to develop and operate Maize Flour Milling Project at Plot No: 25 Block A Uyole Area in Mbeya City. It is against this background that we hereby submit our application for TIC Certificate of Incentives to facilitate smooth implementation of the project.

Attached herewith please find the following basic documents for ease of reference and approval:

1. Three copies of Application for TIC Certificate of Incentives form
2. Certified true copy of Certificate of Incorporation.
3. A copy of Company Memorandum and Articles of Association
4. One copy of project Feasibility Study Report
5. Lease Agreement Document in respect of the project location
6. A Letter of Reference from the Bank
7. Company Board Resolution to register the project with TIC

Thanking you for your kind cooperation.

Yours sincerely,
SOP'S FOOD AND GRAINS INVESTMENT LIMITED

Shaban A. Mwasopo
MANAGING DIRECTOR



2

TIC Evaluation Report

Name of the Company
Sop's Food And Grains Investment Ltd.

Post Box	Uyole, Plot No. 25 Block A	COI Number	99832	Contact	Mr. Shaban A. Mwasopo
Post Office	5040	COI Date	06/05/2013	Designation	Managing Director
Region	Mbeya	Application F. No	11228	Phone	025 2510217
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0789 400 004
		Sub Sector	Maize Flour Milling	Fax	0
		File No	042493	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 25 Block A	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>0.32</td> <td>0</td> <td>0.49</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.32	0	0.49			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.32		0	0.49									
Street	Uyole												
District	Mbeya Urban												
Region	Mbeya												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.075
Agatha Lusepo	Tanzanian	5	Plant	0.42
Michael Charles	Tanzanian	5	Vehicles	0.21
Agen Wajina	Tanzanian	5	Furniture & Fittings	0.01
Yusto Mwasopo	Tanzanian	5	Pre-expenses	0.015
Baraka Melele	Tanzanian	5	Others	0
Mtuganile Mwasopo	Tanzanian	5	Working Capital	0.08
Victor Melele	Tanzanian	5	Total	0.81
Esther Mwambona	Tanzanian	10		
Shaban Mwasopo	Tanzanian	55		

Employment	19	Evaluated By	wf officer2
Capacity	30 tons per day	Drawn By	wf registry1
Project Turn Over		Project Type	Local

Description

To establish a factory for maize flour milling

Recommendations

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

APPROVED BY EXD

Sign: *[Signature]*

Date: 17/05/13

3

TICC/PP.10/042493/3

18th July 2013

Managing Director,
Sop's Food and Grains Investment Ltd.,
P.O. Box 5040,
MBEYA

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF FACTORY FOR MAIZE FLOUR MILLING

We wish to acknowledge receipt of your project proposal to establish a factory for maize flour milling as presented in the TIC P.A. 1 Form No. 11228 and Feasibility Study with a projected investment of USD 0.81m.

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:-

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act,1997.

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 arrange to make payments at your earliest convenience. Please make deposit direct to the bank as per bank details below:

2 -

18th July 2013

T
Tar
Sta
US
T..

Implementation of the project.

V

y

.

ry,
e and Economic Affairs,

M

etary,
ustry, Trade and Marketing,

AAM

ner General,
Revenue Authority,
x 11491,

S SALAAM

Mbeya Branch, Soweto Area, Plot No. 41, Block U
P.O. Box 844, Mbeya, Tanzania

Tel: +255 25 2502849, Fax: +255 25 2502962
Email: info@cba.co.tz
www.cba.co.tz



4

The Executive Director
Tanzania Investment Centre (TIC),
P.O. Box 938,
Dar Es Salaam,
TANZANIA.



05 August 2013

Dear Sir/Madam

RE: SOP'S FOOD AND GRAINS INVESTMENT LTD.

Reference is made to the above captioned.

We are introducing and or confirming to you that SOP'S FOOD AND GRAINS INVESTMENT LTD is a Corporate Customer of COMMERCIAL BANK OF AFRICA (T) LIMITED.

SOP'S FOOD AND GRAINS INVESTMENT LTD operates a local currency Current Account (TZS) with CBA Tanzania. The client has good reputation with the bank and so far we have not experienced any problem with respect to account maintenance.

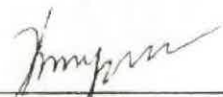
Among the services enjoyed by SOP'S FOOD AND GRAINS INVESTMENT LTD from the Bank are deposit accounts.

In this regard we are optimistic that SOP'S FOOD AND GRAINS INVESTMENT LTD is able to undertake reasonable projects as per requirements without any obstacle. For further information about this account please do not hesitate to contact the undersigned.

Please note that, this information is given as strictly confidential for your private use only and without any responsibility or liability on the part of the Bank or any of its officers.

For and On behalf of COMMERCIAL BANK OF AFRICA (T) LIMITED,


Ismail Mtwela
Branch Manager


Manzaga Mitinje
SME-Relationship Manager



00220218

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042493

No:

This is to certify that

SOP'S FOOD AND GRAINS INVESTMENT LIMITED

P.O. BOX 5040

of address

MBEYA

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

SOP'S FOOD AND GRAINS INVESTMENT LIMITED

PLOT NO. 25 BLOCK A, UYOLE

Which is located at

MBEYA

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 JULY 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 (%)
Esther Mwambona	Tanzanian	10
Shaban Mwasopo	Tanzanian	55
Others	Tanzanian	35

2. Proposed Activities : **To establish a factory for maize flour milling plant**

3. Sector: **Manufacturing** Subsector: **Maize Flour Milling**

4. Investment cost: Foreign **-** Local **USD 0.81m.** Total **USD 0.81m.**

5. Project Financing: Equity **USD 0.32m.** Loans **USD 0.49m.** Total **USD 0.81m.**

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

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	-	USD 0.81m.	USD 0.81m

8. Technology Agreement **None**

9. Date of TIC Registration: **17th July 2013**

10. Implementation period **July 2013 - June 2016**

11. Operative date **July 2016**

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

3

TICC/PP.10/042493/3

18th July 2013

Managing Director,
Sop's Food and Grains Investment Ltd.,
P.O. Box 5040,
MBEYA

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE ESTABLISHMENT OF FACTORY FOR MAIZE FLOUR MILLING

We wish to acknowledge receipt of your project proposal to establish a factory for maize flour milling as presented in the TIC P.A. 1 Form No. 11228 and Feasibility Study with a projected investment of USD 0.81m.

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:-

- Bank Reference for equity funding or a letter from Bank/Financial Institution that a loan is granted or is under consideration as required by Section 17(3) (f) of Tanzania Investment Act,1997.

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 arrange to make payments at your earliest convenience. Please make deposit direct to the bank as per bank details below:

TICC/PP.10/042493/3

18th July 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 and Economic Affairs,
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