

GREAT BUILDING
MATERIAL LIMITED

MINUTE SHEET

Dokezo
No.

1.0

EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 4.0m

(b) Legal entity has been incorporated under certificate

No. 101248 of 31/07/2012

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

Submitted for signature.



N. Senzia

DIF

2nd October, 2013



2.0

EXD

In response to the TIC letter of registration dated 29th September 2013

the project has submitted the required documents namely: -

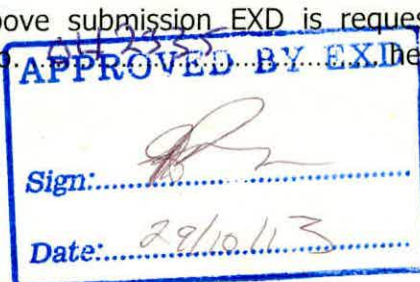
(a) Company Board Resolution.

(b) Reference letter/Financing from Barclays Bank Ltd

(c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 101248 therein attached.

28/10/2013



DIF



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 SUN XIUJUN
(director/directors/agent of GREAT BUILDING MATERIAL CO. 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 KIWALANI DAR-ES-SALAM

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 KIWALANI DAR-ES-SALAM
4. The Principal Officers of the Company are SUN XIUJUN
CUI ZIANGSHANG
5. Auditors of the Company are TO BE APPOINTED
6. The authorized share capital of the Company is Tshs./~~US\$~~ 100,000,000/=



7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 4,000,000

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

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

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

I, SUN XINJUN of Post Office Number 20232 DSM

do solemnly and sincerely declare that I am a director/duly authorized agent of GREAT BUILDING MATERIAL CO. LTD

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

Declared at Dar es Salaam }

孙新军
Applicant

The 25 day of SEPT 2013

Before me:

[Signature]
Commissioner for Oaths


APPLICATION SUMMARY

Company Name: GREAT BUILDING MATERIAL CO. LIMITED

Certificate of Incorporation Number: 101248 Status: NEW

Certificate of Incorporation Date: 31 JULY 2013

Post Box: 20232

Town: DAR-ES-SALAAM

Sector: MANUFACTURING Sub-Sector: BOLT, NUTS & NAILS

Investment Financing Plan in Million US\$/Tshs:

Foreign Equity	Local Equity	Foreign Loan	Local Loan
1.0		3.0	

Project Objectives: TO ESTABLISH A PROJECT FOR MANUFACTURING BOLT, NUTS AND NAILS.

Capacity: 1000/A 1000 TONS/ANNUUM

Employment: Foreign: 5 Local: 20 Total: 25

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: KIWAIAZI INDUSTRIAL AREA

Street: KIWAIAZI District: ILALA Region: DAR-ES-SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
SUN XIUTUN	CHINESE	90
CUI ZIANGSHANG	CHINESE	10

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

Land/Building	400,000
Plant	3,000,000
Vehicles	280,000
Furniture & Fittings	90,000
Pre-expenses	170,000
Others	
Working Capital	60,000
TOTAL	4,100,000

Contact Details:

Name: AKILEI J

Title: PROJECT MANAGER

Telephone: 0715 - 025 614

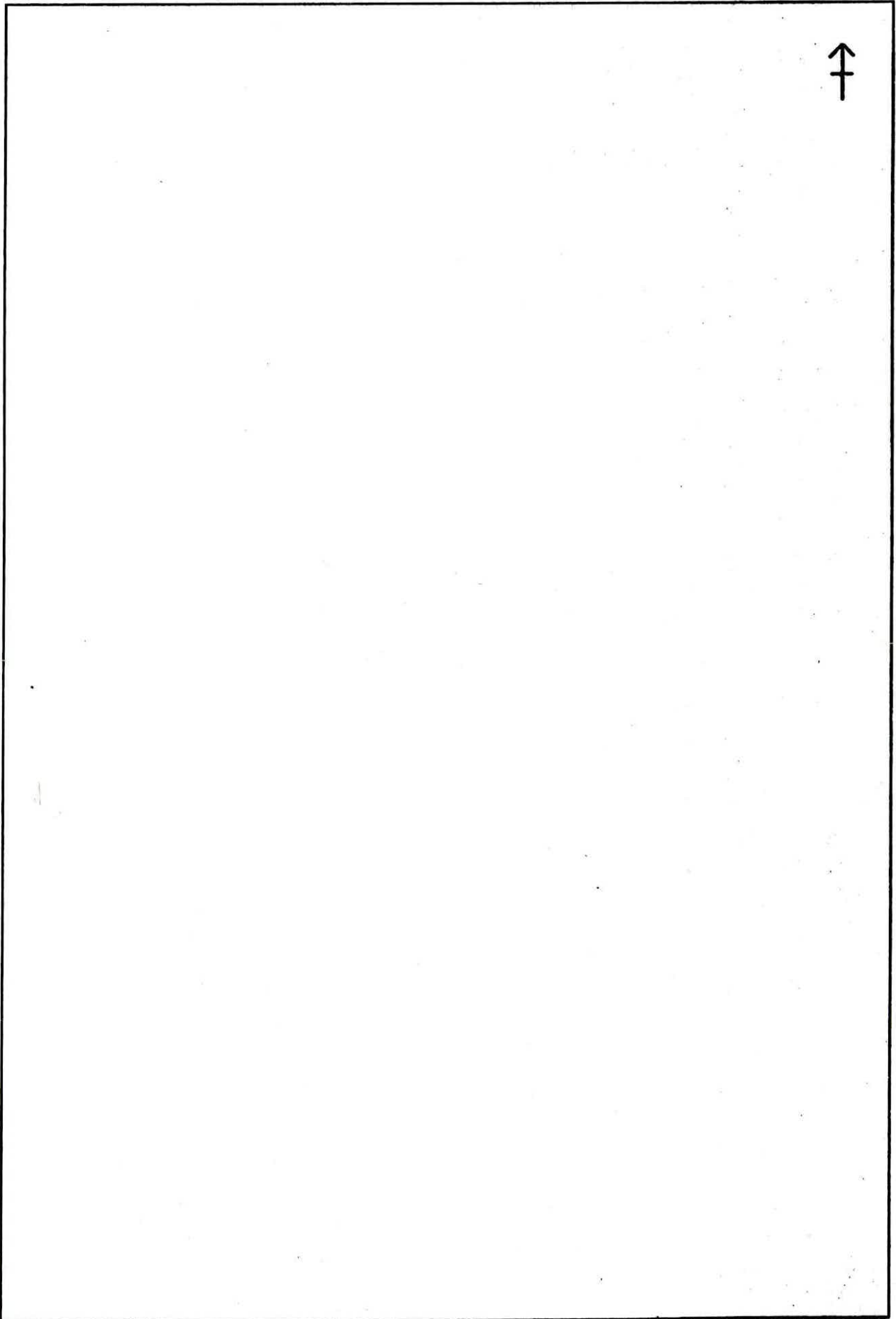
Fax:

Email:

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION







00220368

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042535

This is to certify that

GREAT BUILDING MATERIAL CO. LIMITED

P.O. BOX 20232

of address

DAR ES SALAAM

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

GREAT BUILDING MATERIAL CO. LTD

BLOCK A/4 KIWALANI INDUSTRIAL AREA

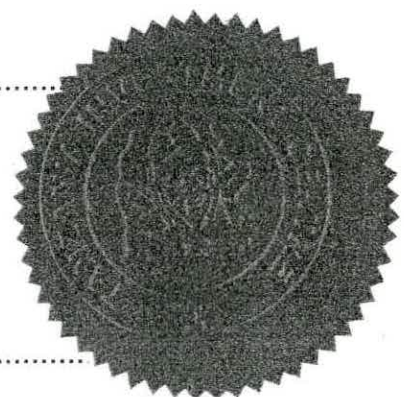
Which is located at

ILALA - DAR ES SALAAM

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

Executive Director

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



Dated 29TH SEPTEMBER 2013

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

1. Shareholders
- | | Nationality | Shareholding (%) |
|-----------------------|----------------|------------------|
| Cui Ziangshang | Chinese | 10 |
| Sun Xiujun | Chinese | 90 |
2. Proposed Activities: **To establish a project for bolt, nuts and nails manufacturing**
3. Sector: **Manufacturing** Subsector: **Bolt, Nuts/Nails**
4. Investment cost: Foreign **USD 4m.** Local **-** Total **USD 4m.**
5. Project Financing: Equity **USD 1m.** Loans **USD 3m.** Total **USD 4m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|----------------|----------|----------------|
| | USD 4m. | - | USD 4m. |
8. Technology Agreement **None**
9. Date of TIC Registration: **29th September 2013**
10. Implementation period **September 2013 - August 2016**
11. Operative date..... **September 2016**
12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
- (i) Applicable Import Duty **And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997**
 - (ii) Applicable with-holding Tax **As per Income Tax Act, 2004 (as amended)**
 - (iii) Eligibility of Capital Allowances **As per Income Tax Act, 2004 (as amended)**
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
- (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
Finished goods are not allowed under this Certificate

Signed 
Executive Director

fund beyond three years will be forfeited



TANZANIA INVESTMENT CENTRE

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

RECEIPT REC013114

No. 007074

Received from : GREAT BUILDING MATERIAL CO. LTD

Address Kiwalani Industrial Area, P. O. Box 20232, Dar Es Salaam.

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

Being payment in respect of CERTIFICATE OF INCENTIVES

Amount : TZS 1,620,000.00

Cash / Cheque No: D/Deposits

Date : 09-Oct-2013



SUICSO

(Handwritten signature and a circled number '3')

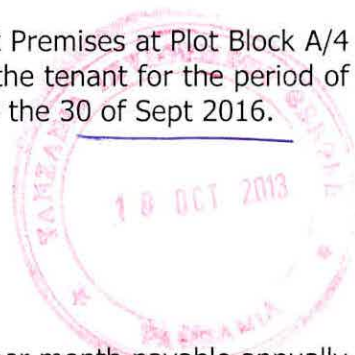
Receiving Officer

LEASE AGREEMENT FOR OFFICE PREMISES

This lease agreement is made this 01 Day of oct Between **GURU ENGEENERIGN**, to sublet **GREAT BUILDING MATERIAL CO. LTD.** of P.O. Box 20232 **Dar es Salaam**

WIITNESS as Follows:

1. a) **GURU ENGEENERIGN** hereby demised unto the tenant that Premises at Plot Block A/4 a long Kiwalani Area Dar es Salaam. To hold the same unto the tenant for the period of (1)Three Year, commencing from 01 /10/2013 and Expires on the 30 of Sept 2016.
- b) The renewal of lease shall be subject to:
 - (i) Revision of existing rent
 - (ii) Renewal for another one year shall be with such Conditions which shall be prevailing at that time.
2. The rent shall be Tshs 600,000 (six hundred thousand only) per month payable annually in advance on the first day of each any ever succeeding year during the term of this agreement. The first installment becoming payable on 01 /10 /2013 at the office of the landlord.
3. **THE TENANT HEREBY CONVENTSTTS** with GURU ENGEENERING as follows:
 - (a) To pay during the term of lease the said rent herein before reserved punctually on the days and in the manner aforesaid without any deduction whatsoever.
 - (b) To maintain the demised premises in clean and sanitary condition and bear pay or discharge all sewage cesspit emptying charges attributable to the demised premises.
 - (c) At all time to undertake maintenance of the interior of the demised premises.
 - (d) To use the premises for purpose of the office only and not to charge the use.
 - (e) To pay bear and discharge all charge for electricity and light used or consumed in the demised premises and for all telephone charges whether for calls made otherwise in respect telephones (if any) located in the demised premises.
 - (f) To pay service chares imposed by the City Municipal, Township or District Authority attribute to the demised premises.
 - (g) The monthly rent hereby reserved is liable to be increase as the case may be by GURU ENGEENERING on giving 3 months notice in writing to the tenant.
 - (h) In the event of default in paying the rent herein reserved the legal action will be



IN WITNESS WHERE OF GURU ENGINEERING CO. LTD and the tenant Have dully executed there presents in the manner and on the Respective dates hereafter appearing.

SEALED/STAMPED of said
GURU ENGINEERING CO. LTD and
Deliver in the premises of us this

mohamed Sam.

Signature *Mohamed Sam.*

Of P.O. Box 21766 Dar es Salaam

.....

SEALED/STAMPED with common seal/stamp
GREAT BUILDING MATERIAL CO. LTD.

The said **DELIVERED** in the presence of us this
01 Day of *oct.* 2013

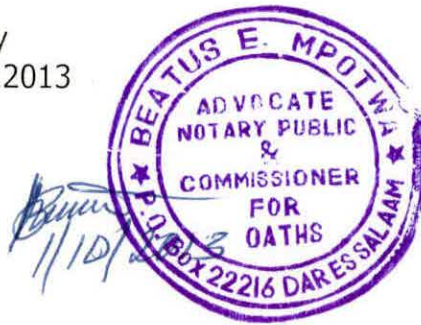
Signature

Of P.O. Box 20232 Dar es Salaam

Personally/Identified to me by

The letter being known to me personally
In the presence this day of2013

Drawn By:
GURU ENGINEERING CO LTD
P.O. BOX 21766
DAR ES SALAAM.





Barclays Bank Tanzania Limited
Kariakoo Branch
P o. Box 625587
Dar es Salaam
022 2242671

REF: BARC/KKO/011/51196256

15/10/2013

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

Dear Sir/Madam,

RE: INTRODUCTION OF SUN XIUJUN

This is to confirm to you that the above mentioned is our customer maintaining TZS A/C No. 051 4588962 with us to our entire satisfaction.

We consider **SUN XIUJUN** as liable customer, trustworthy and good for the normal engagement as far as the transaction with our bank are concerned.

Further assistance to him will be highly appreciated.

This information is given without responsibility of Barclays Bank of Tanzania Ltd on our part or our officials.

Yours sincerely,
Barclays Bank (T) Limited

A handwritten signature in blue ink, appearing to read "Kareem Abdulrahim".

Kareem Abdulrahim
Relationship Manager

2

TICC/PP.10/042535/3

29th September, 2013

Managing Director,
Great Building Material Co .Ltd
P.O. Box 20232,
Dar es Salaam.

RE: CERTIFICATE OF INCENTIVES FOR PRODUCTION OF BOLT, NUTS AND NAILS IN DAR ES SALAAM

We wish to acknowledge receipt of your project proposal to establish production of bolt, nuts and nails as presented in the TIC P.A. 1 Form No. 11415 and Feasibility Study with a projected investment amounting to USD 4 m.

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

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

Also be informed you will have to submit a project implementation report in every six months for centre's information and review. Guidelines for the preparation of the report are contained in annexure attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Also note that a facilitation fee equivalent to US\$ 1000.00 is payable at the ruling exchange rate prior issuance of certificate of incentives. Please make deposit direct to the bank as per bank details below:

TICC/PP.10/042535/3

29th September, 2013

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

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

Yours sincerely,
Tanzania Investment Centre



Juliet R. Kairuki
EXECUTIVE DIRECTOR

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

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

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



TIC Evaluation Report

Name of the Company
Great Building Material Co. Ltd.

Post Box	Kiwalani, Kiwalani Industrial Area	COI Number	101248	Contact	Mr. Akilei J.
Post Office	20232	COI Date	31/07/2012	Designation	Project Manager
Region	Dar Es Salaam	Application F. No	11415	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0715 025 614
		Sub Sector	Bolt, Nuts/Nails	Fax	0
		File No	042535	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Block	Kiwalani Industrial Area	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Kiwalani	1	0	3	0
District	Ilala				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.4
Cui Ziangshang	Chinese	10	Plant	3
Sun Xiujun	Chinese	90	Vehicles	0.28
			Furniture & Fittings	0.09
			Pre-expenses	0.17
			Others	0
			Working Capital	0.06
			Total	4

Employment	25	Evaluated By	wf officer4
Capacity	1000 tons/pa	Drawn By	wf registry2
Project Turn Over		Project Type	Foreign

Description
To establish a project for bolt, nuts and nails manufacturing

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

Decision

APPROVED BY EXD

Sign: *[Signature]*

Date: 29/09/13

GREAT BUILDING MATERIAL LIMITED

P O Box 20232
DAR ES SALAAM

Ref.No: GBML/TIC/JUL/2013

02nd September 2013

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



Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

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

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

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

Thank you for your kind consideration

Yours Sincerely,

孙秀军

.....
Sun Xiujun



GENERAL MEETING OF SHAREHOLDERS
HELD ON 31st August 2013

Agenda

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

At 10.00 a.m. on August 31st, 2013 the shareholders of **M/S GREAT BUILDING MATERIAL LIMITED** held a meeting to discuss the agenda above. It was unanimously agreed that **M/S GREAT BUILDING MATERIAL LIMITED** would register with Tanzania Investment Centre for Project of manufacturing Bolt, Nuts and Nails.

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

孙秀军

.....
Sun Xiujun

崔向尚

.....
Cui Ziangshang



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....GREAT.BUILDING MATERIAL.CO..LIMITED.....

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

121-612-887

.....

with effect from 12-08-2013

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

TANZANIA



Certificate of Incorporation

Section 15

No 101248

I HEREBY CERTIFY THAT

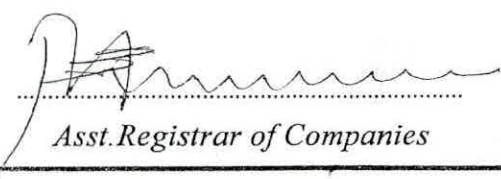
GREAT BUILDING MATERIAL CO. LIMITED

.....

.....

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

Given under my hand at Dar es salaam

this 31ST day of JULY**TWO THOUSAND AND THIRTEEN**

.....

Asst. Registrar of Companies

THE COMPANIES ACT 2002

COMPANY LIMITED BY SHARES

MEMORANDUM
AND

ARTICLES OF ASSOCIATION

OF

GREAT BUILDING MATERIAL CO.
LIMITED

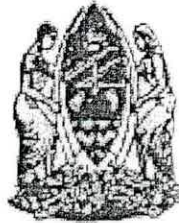
Incorporated this

day of

2013

DRAWN BY
SUN XIUJUN
(SUBSCRIBER)
P.O. BOX 20232
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

NO.

I HEREBY CERTIFY THAT

GREAT BUILDING MATERIAL CO. LIMITED

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

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

Registrar of Companies

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

GREAT BUILDING MATERIAL CO. LIMITED

1. The name of the company "GREAT BUILDING MATERIAL CO. LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:
 - (a) To carry on the business as general merchants, traders, consumers, suppliers, importers, exporters, general merchandise, stockists, wholesalers, retailers and dealers in all types of building materials, spares, electrical goods, computers, garments, hardware, cement, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, groceries, computers, office equipments, cooking oils, salts, foodstuffs, drinks, cosmetics, new, second hand clothes, household, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags, and other similar goods., luggage, garments, baby clothes, sugar, bulk drugs, pharma, chemicals and solvent industrial use chemicals.
 - (b) To carry on the business of International trade, general merchandise, importers, exporters, distributors, general store-keepers, universal providers, wholesale and/or retail traders, dealers of hardware, piece wood, paints, glassware, scrap metal, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, beers, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
 - (c) 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.
 - (d) To carry the business of importer and exporters, wholesalers, retailers, general merchants, provision store, general store keepers, universal providers, to establish supermarkets, duty free shops, import and export, manufacture goods, building materials, clothes, bags, belts, shoes, home appliances, utensils, piece goods imitation jewellery,

hosiery, shoes, sun-glasses, flowers, handbags household requirements generally in all manufactured goods of all type, to acquire, establish, dealers in selling ready made garments and knitwear's, toys, motor cycles, bicycles, bicycle chairs, computer and its parts, television, radio, refrigerators, mobile phone, vcd, cookers, slippers jeans, and description for commercial and home use.

- (e) To carry of the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockists and dealers in all types of garments, new and second hand clothing, Mitumba, tents, textiles material, tie and dye, boutique, belts, shoes, caps, bags, dresses of all types and description whatsoever.
- (f) To carry on all or any of the businesses of entertainment promoters, film production, conference, advertisement, promotion, event management sports promoters, artistes' personal representatives in all or an spheres of entertainment sport, video and still picture, audio, video, CD & DVD, promotion cinema and picture.
- (g) To carry on the business of International trade, general merchandise, importers, exporters, distributors, general store-keepers, universal providers, wholesale and/or retail traders, dealers of hardware, piece wood, paints, glassware, scrap metal, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, beers, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds. To carry on the business of timber and sawmill proprietors, tree fellers, woodworkers, joiners, carpenters, wood and timber merchants, woodwork contractors, and to buy, sell, mine, prepare for market, import, export and del in minerals, tree logs, hardboards, soft boards, building materials, hardwares, oil, paints, varnishes and generally to deal in articles of all kinds in the manufacturers of which timber or wood is used.
- (h) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business

- (i) within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (j) To carry on the business of dealers, buyers, processors, exporters and importers of minerals, including diamond, Gemstones and gold, to engage in cutting and polishing, gems and any other types of gems or precious tones and to do any kind of business relating to minerals, and to own and run jewelers shops. To carry on the business of mining, mineral exploration, and deal in minerals as miners, buyers, processors.
- (k) To carry on promote and trade or business of farm and agricultural inputs, implement, tools, packaging of sunflower, materials and deal in the livestock and or the veterinary health - care products to farmers and stockist, to buy, sell, supply, distribute whether in retail or wholesale fertilizer, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animals feeds, veterinary drugs and any related goods and import and export agriculture and food technology, industrial and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
- (l) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, trucks, cabs, omnibus, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company.
- (m) To carry on all or any of the business of stationers, printers, lithographers, stereotypes, electrotypes, engraves, photo lithographers, typesetting, machine operators, die sinkers, envelope makers, book binders, account book manufacturers, machine, rulers, numerical printers, paper makers, paper baffles and account book makers, box makers, flat and box file makers, cardboard manufacturers, type founders photographers, manufacturers of and dealers in playing visiting, railways, festival invitation, business complimentary and fancy cards and valentine, dealers in parchment stamp agents of payments of stamps and other duties, advertising agents, designers, draftsmen manufacturers, book sellers, publishers and dealers in materials used in the manufacturers of paper, cabinet makers, file rack maker and dealers in or manufacturers of any other articles of things of character similar of analogous to the foregoing or any of them or connected

therewith and to deal in the manufacture of all sell by wholesale or retail of school chalks, and secretarial services.

- (n) To build, construct, alter, improve, enlarge, repair, maintain, develop, demolish, remove or replace and to work, manage, real estate, carry out or control works of all descriptions, including but not limited to offices, factories, mills, warehouse, shops, stores, garages and other buildings, roads, machinery and plants, which may, in the opinion of the directors of the Company, be likely to advance directly or indirectly the Company's interests; to clear sites for the same, to contribute to, subsidies or otherwise assist in the building, construction, alternation, repair, improve, enlargement, maintenance, development, demolition, removal, replacement, working, management, carrying out or control.
- (o) To carry the business of electricians, mechanical engineers and manufacturer, workers and dealers in electrical apparatus and goods and manufacturer or hire or apparatus or goods in which the application of electricity or any kind of power, or any power that can be used in substitute therefore, is or may be useful, convenient or ornamental, or any other business of a like nature.
- (p) To carry on consultancy of software solutions, website development, website hosting and maintenance, network security computer networks, selling and servicing of computers and its allied peripherals.
- (q) To carry on the business of manufacturers importers, exporters and dealers in (whether or retail) all kinds of plastic wares for domestic, office, Industrial use or otherwise plastic component and appliances, medical, chemical preparation articles and compounds and manufacture, import , sell dyes cosmetics, soap, washes, pomades, paints, pigments, oils, spirits, distempers varnishes, resins, synthetic and manmade materials and fabrics of whatsoever nature and deal in all articles, substances and things commonly or conveniently used in or for making up, preparing or packing any products in which the company is authorized to deal with which may be required by the customers or persons having dealing with the company.
- (r) To carry on or otherwise engage in the business of providing drilling services and general services in water and environment issues, general civil and construction works.
- (s) To carry on the business of fumigators, vacuum cleaners, steam cleaners, carpet cleaners, window shop, officer, club hotel, theatre cleaners vermin and insects destroyers and generally to undertake cleaning and fumigation of any kind.
- (t) To engage in and or otherwise carry on the business of sanitary services, super cleaners, removal treatment of, and or garbage collectors,

sewage, and drainage system contractors, rural, urban and community centers, super cleaners, removal treatment contractors, landscaper to be professional sanitary services contractors, fumigation agents, renovators, general maintenance and decorators, promoters of health service in industries, governmental departments, offices, companies, public or private institutions, individuals and any other organizations all over the world. To carry on the business of town cleaning, education on hygiene, importation of all cleaning facilities, equipments and chemicals.

- (u) To engage in the importation of office equipments, typewriters, photocopying machines, electrical equipments, calculators and other office machines as the Company may think fit.
- (v) To carry on the industry and business of milling, producing, refining, repackaging, importing, exporting, marketing of all kinds of edible oils, cooking fats, margarine and bye-products thereof, to carry on the business of Flour mills, milling, packing all kinds of spices, salt, chemicals including industrial chemicals and all products. To extract, process, refine, distil, conserve, manufacture and generally deal in, and all kinds of soaps, detergents, soap chips, all kinds of oil, fatty acids, oleaginous and fatty substances, all kinds of unguents and ingredients and all products of the same or any of the said substances.
- (w) To deal in office and domestic cleaning services, gardening, compound maintenance and sanitary services.
- (x) To carry on Fire Fighting equipments and general technical services, fumigation, auto-control, systems, and general supplies, importers, exporters, general merchants, general store-keepers, universal, wholesale and retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, piece wood, glassware, cookery, cutlery, turners and other household fittings, and requirements, other articles, textiles, medicine, drugs, wines, spirits, liquors, photographic apparatus.
- (y) To arrange before hand and organize for tourists, budget and luxury camping safaris, lodge safaris, Road safaris and excursions, ticketing, Airlines and charters, game hunting, fishing ornithological and other safaris and expeditions of all kinds, mountain climbing, walking safaris, photographic safaris, car hire and cultural tourism, to establish, maintain and operate aircraft services of all kinds to carry on the business of carriers by air or otherwise of passengers, mail goods merchandise and valuable of all kinds, to engage in aerial survey photography and mapping and aerial advertising and to enter into contracts with any person, corporation or government as to the interchange of traffic the carriage of goods and passengers or for any other purpose advantageous to the Company.

- (z) To do all kinds of business relating to information and communication technology and to act as consultants, carry on business as managers or advisors in information management, data processing, applications development, computerized systems development, data telecommunication and networks technology and those purposes to promote, arrange, organize, conduct and facilitate information and communication technology in Tanzania elsewhere; and to promote, arrange facilitate and operate information technology activities in all its diverse areas and all such facilities advantages and conveniences as may be considered necessary or incidental thereto. To do activities as development of customer-made and instructional software, educational, managerial and control software products for small, medium and large clients.
- (aa) To engage in and or otherwise carry on the business of professional hardware dealers, super traders, agents, manufacturers, buyers, sellers, distributors, suppliers, importers, exporters of building materials, decoration materials, domestic and industrial goods, agricultural and or farm implements, electrical and electronic appliances, apparatus and tools, sanitary and cleaning material, toiletry items, all businesses and trades incidental analogous, similar thereto, required to be or capable of being carried on in conjunction therewith.
- (bb) To carry on the business of soap manufacturing, exporting, importing of soap detergents bleaching chemicals, sell, import, Agricultural and Industrial equipments and implements.
- (cc) To carry on the business of processors, blenders, sellers, buyers, importers, exporters, of all types of consumers and industrial products, human medicines, vegetables, fruits, food meals, food products,
- (dd) insurance agents, commission agents, household utensils, lubricants, hardware, petroleum and petroleum products, tax consultancy activities, beeswax, honey, tools, agricultural equipment and all general merchandise.
- (ee) To carry on business of suppliers, exporters of fish and fish products, marine products, pottery crafts, crustaceans, salt, mangrove, seashells, collection of wildlife, birds for sale and export, carvings, paintings, curios, provide game Sanctuary facilities and to organize safaris and expeditions, hutting, shoot, photograph, capture of animals, birds and all kinds of birds.
- (ff) To carry on the business of hardware and building materials, repair alter and otherwise deal in apparatus, plant, machinery, fittings, tools,

for the purpose of the above mentioned business or any of them or likely to be required by customers of the company.

- (gg) To carry on the profession and business of media communication and consultancy, advertising agents, public relations consultants, sales promotion consultants in their aspects and to advise on public relations, publicity, sales promotion, staff relations, industrial relations, management relations.
- (hh) To deal in all aspects of Real Estate including buying, constructing, selling, mortgaging, renting, transferring and any other form of conveyancing of real estate. To undertake or direct the management of the property, property development, buildings lands and estates of any tenure or kind for persons, whether members or the Company or not, in the capacity of stewards, trustees or receivers otherwise.
- (ii) To carry on business as dealers in wholesale or retail in hardware, household, fittings, utensils, all kinds of machinery, implements appliances apparatus, cements, solutions, enamels, building materials, plumbing materials, cosmetics, cutlery, hosiery, cookery, utensils of glass, China or metals, all kinds of domestic and household requisites produces, newspapers, books, stationery and office machines, refreshments, timber, furniture, petrol, oil diesel, kerosene, all kind of power oil and lubricants for motor cycles and cycles, flour mills owners, radio and radio accessories, bakers, biscuits makers, confectioners, all or any of the business of seeds crushes and manufacturers of linseed cotton and cakes, oil refiners, soap manufacturers of artificial manure's and fertilizers, piece goods merchants with or without tailoring department, land and estate agents, financiers, manufacturers, carries buildings and joiners, auctioneers, cotton spinners, and ginners, insurance agents and printers and publishers.
- (jj) To carry on business of mechanical engineering, electrical engineering, electronic telecommunication engineering, to design, manufacture, assemble, repair any electrical and electronic apparatus, component of system, navigation, data processing, aviation, to act as manufacturers, representatives, commission agents merchants or broker and to import, export, hire's sell purchase or otherwise dealing in all kids of mechanical, electrical and electronic systems.
- (kk) To carry on business as auctioneers, rent collectors, courts brokers, City/Municipal/District access, levy and/or rates collectors, or otherwise deal and general undertake any business, work or transaction usually undertaken by auctioneers, commission agents and collectors.
- (ll) To carry on the business of computer networks, sales of computers, consultancy, computer training, graphic, design, internet café computer

programming, web sites, database, telecommunication equipment telephones, cellular phones, TV-transmission equipment etc transport automobiles, marine vessels, aircraft, drilling and mining technologies and equipment, and agricultural and dairy equipment and all types of computer networks and related networks activities.

- (mm) To engage in and or otherwise carry on the business of professional hardware dealers, super traders, agents, manufacturers, buyers, sellers, distributors, suppliers, importers, exporters, decoration materials, domestic and industrial goods, agricultural and or farm implements, electrical and electronic appliances, apparatus and tools, sanitary and cleaning materials, toiletry items, all businesses and trades incidental analogous, similar thereto, required to be or capable of being carried on in conjunction therewith.
- (nn) 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.
- (oo) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (pp) 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.
- (qq) 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.
- (rr) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (ss) 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.
- (tt) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.

- (tt) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (uu) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-

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

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

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

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

- 4. The Liability of the Members is Limited
- 5. The capital of the Company is Shillings 100,000,000/= divided into 1,000 shares of Shillings 100,000/= 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 by each Subscriber	Signature
SUN XIUJUN P.O. BOX 20232 DAR ES SALAAM	900	孙秀群
CUI ZIANGSHANG P.O. BOX 20232 DAR ES SALAAM	100	崔向尚

Dated at Dar this 30 day of July 2013

Witness to the above signatures

Name :
 Signature :
 Postal Address :
 Qualification :



THE COMPANIES ACT NO. 12 OF 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
GREAT BUILDING MATERIAL CO. LIMITED
PRELIMINARY

1. In these regulations:-
"The Act means" the Companies Act 2002 of the Laws of Tanzania.

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

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

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

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

PRIVATE COMPANY

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

- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer.

TRANSFER OF SHARES

- 3. The Directors may in their direction and without assigning any reason thereof 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 personal representatives of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice 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 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 seven in number.
- (b) The following persons shall be the first Directors of the company:-

- 1. SUN XIUJUN
- 2. CUI XIANGSHANG

- 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

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

VOTE OF MEMBERS

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

DISQUALIFICATION OF DIRECTORS

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

S E A L

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

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 Director 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 (under Section 481 of the Act) in which relief is granted to him by the Court

ARBITRATION

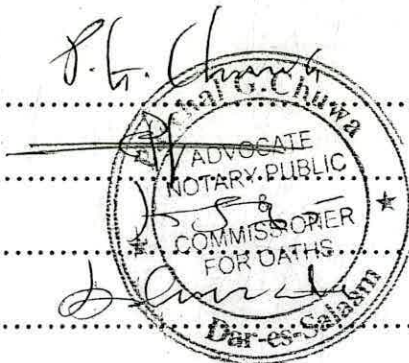
22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Act, herein contained or any act matter or thing made or done or omitted to be done or with regard to the rights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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
SUN XIUJUN P.O. BOX 20232 DAR ES SALAAM	900	孙秀群
CUI ZIANGSHANG P.O. BOX 20232 DAR ES SALAAM	100	崔向尚

Dated at Dar this 30 day of July 2013

Witness to the above signatures

Name :
 Signature :
 Postal Address :
 Qualification :



START OF LEGAL RECEIPT

GENERAL ENTERPRISES LIMITED

P.O BOX 71144 DSH
SHARIMUYO ILAL

TIN: 100182300
VRN: 100092770
TAX OFFICE: ILALA
ID: 01 BRAVO/10211
100182300/04T

1 X 30000 00 A
VA A/L SALE 0000 00
SUB-TOTAL 0000 00

SUBTOT A 0000 00
NET A 124.00
VAT A 476.00

TOTAL TSRS 30000.00
CASH 30000

CLF#1 PCH#1
N.0000 13 07 2013 132201

12 04T2200602
END OF LEGAL RECEIPT

01T2201807

START OF
LEGAL RECEIPT

DIPAK AUTO SPARES
P.O BOX 6291
SWAHILI HUNORD
KARTAKOO DSH
0717786789/0784620861
Kamlesh18@yahoo.com
TIN:100-588-617
VRN:10 013947-L

01JUN 10010019110058861/01177
01807

RUBBER 2.500.00 18.00%
SUBTOTAL 2.500.00

TOTAL TS 2,500.00

SELLING VAT

GROSS 18.00% 2.500.00A
TAXABLE 2.118.00A
TAX 382.00A
17/07/13 UT 12:48 H 0

FISCAL TICKET NO. 1
01T2201807
*****END OF LEGAL RECEIPT*****

X

UNIT OF LEGAL RECEIPT

TRA
P.O BOX 10990
DAR ES SALAM
PLOT NO. 68/72 HOUSE NO 121
LEWINGSTONE/TANDARI
TEL NO 0713 267 274
TANZANIA

TIN: 101335003
VRN: 402130161
ID: 100341300101335003
03T254000620

ECR: 01
RECEIPT NUMBER 0156 0000

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TOTAL 163000.00

TOTAL NET 163000.00
A-18 00% 298644.07
TOTAL NET 248644.07

CASH 163000.00
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DATE 16-04-2015 TIME 08:14:48

SERIAL NUMBER 001254026551
ACTIVE CARD SN: 579400403
CARD ACTIVATION 15-04-2015

TRA

- END OF LEGAL RECEIPT -

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TOTAL 163000.00

TOTAL NET 163000.00
A-18 00% 298644.07
TOTAL NET 248644.07

CASH 163000.00
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SERIAL NUMBER 001254026551
ACTIVE CARD SN: 579400403
CARD ACTIVATION 15-04-2015

TRA

- END OF LEGAL RECEIPT -

- START OF LEGAL RECEIPT -

INSTR LAVAQUA: DHENKAR
TJH RALE TORE
SMAHILL STREET FLOT NO 38
DAR ES SALAM
: 0774745336

TRA ILAIA
ETN 111357757
IRN 40:1131960
IDRF-1002687111-357757
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TOTAL A-18.00% 35000.00
A-18.00% 5338.98
TOTAL DAT 5338.98

TOTAL 35000.00
P 1
TIME 15:22:01
TR 0312540005245

DATE: 13-09-2012

TRA

- END OF LEGAL RECEIPT -

START OF LEGAL RECEIPT

SMAHILL STREET
DAR ES SALAM
TEL 0774 262887
MOB 0774 262887
0651 262887
DAR ES SALAM

ETN 111357757
IRN 40:1131960

OP: 01

RECEIPT NUMBER 0257/00004

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SERIAL NUMBER 0312542000

ACTIVE CARD SN: 1041901
CARD ACTIVATION DATE: 13-12-2011

TRA

- END OF LEGAL RECEIPT -

START OF LEGAL RECEIPT

SMAHILL STREET
DAR ES SALAM
TEL 0774 262887
MOB 0774 262887
0651 262887
DAR ES SALAM

ETN 111357757
IRN 40:1131960

OP: 01

RECEIPT NUMBER 0257/00004

TOTAL TRX 10000.00

TOTAL A-18.00% 35000.00
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TOTAL DAT 5338.98

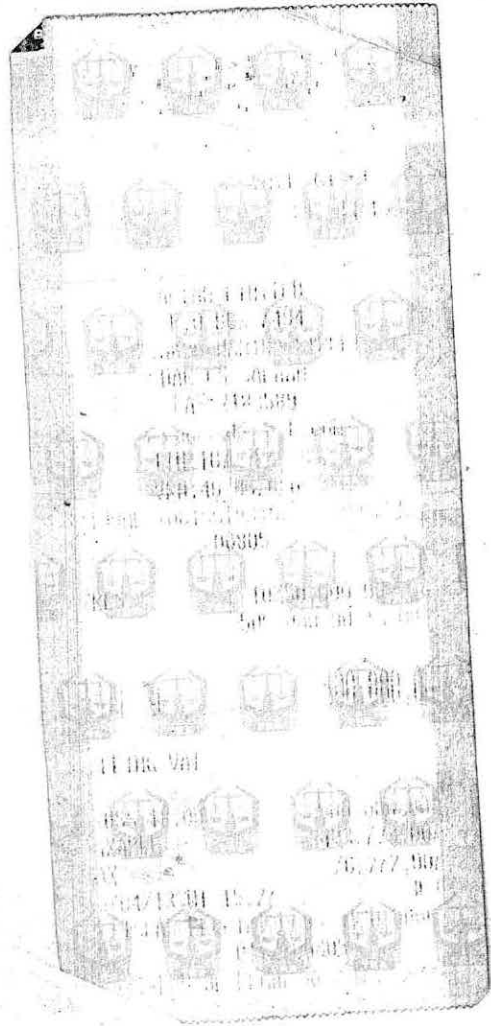
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ITEMS NUMBER
DATE 13-09-2012
SERIAL NUMBER 0312542000

ACTIVE CARD SN: 1041901
CARD ACTIVATION DATE: 13-12-2011

TRA

- END OF LEGAL RECEIPT -



PART OF LEGAL RECEIPT
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J.P. BOX 279
TBL 022 2182503
MOB 073 262885
0653 262885
DAR ES SALAM
11/04/2013
11:17:13
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DATE 11-04-2013 TIME 11:17:13
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CARD EXPIRATION DATE 12-31-2013

TIP

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TOTAL UHI 114000.00
TOTAL 114000.00
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DATE 11-04-2013 TIME 11:17:13
SERIAL NUMBER 0312540001560
ACTIVE CARD SN 0312540001560
CARD EXPIRATION DATE 12-31-2013

TIP

END OF LEGAL RECEIPT

PART OF LEGAL RECEIPT
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J.P. BOX 279
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MOB 073 262885
0653 262885
DAR ES SALAM
11/04/2013
11:17:13
ITEM NUMBER
DATE 11-04-2013 TIME 11:17:13
SERIAL NUMBER 0312540001560
ACTIVE CARD SN 0312540001560
CARD EXPIRATION DATE 12-31-2013

TIP

CASH 114000.00
TOTAL A-18 007 114000.00
TOTAL UHI 114000.00
TOTAL 114000.00
ITEMS NUMBER
DATE 11-04-2013 TIME 11:17:13
SERIAL NUMBER 0312540001560
ACTIVE CARD SN 0312540001560
CARD EXPIRATION DATE 12-31-2013

TIP

END OF LEGAL RECEIPT

- START OF LEGAL RECEIPT -

INDIA LAYAQUA: DHENKAR
1/4 RALE FLORE
SMAHLLI STREET PLOT NO 38
BAR ES SAHAM
-0774745336

TRA ILALA
BIN 111357757
IRN 40013196D
IDREF-10026877111357757
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TOTAL
TSD 35000.00

TRA 35000.00
TSD 5338.98
TSD 5338.98

TRA 35000.00
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TIME 15:22:01
0312540005245

DATE: 26-09-2012

TRA

END OF LEGAL RECEIPT -





****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO.7 KARIAKOO HAHUWA STREET
FAX 022 2183589
TIN:107-284-885
VRN:40-002680-X
01 JUNE 10010619110728488501122
02069

TYRES	155,000.00	Tsh	18.00%
SUBTOTAL	155,000.00		

TOTAL Tsh 155,000.00

SELLING VAT

GROSS 18.00%	155,000.00A
TAXABLE	131,355.00A
TAX	23,645.00A
05/08/13 WT 16:20	# 0
FISCAL TICKET NO. 14	

01T2202069
*****END OF LEGAL RECEIPT*****



****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO.7 KARIAKOO HAHUWA STREET
0659 133330
TIN:107-284-885
VRN:40-002680-X
01 JUNE 10010619110728488501122
02069

TYRES	220000X2.00	Tsh	18.00%
SUBTOTAL	440,000.00		

TOTAL Tsh 440,000.00

SELLING VAT

GROSS 18.00%	440,000.00A
TAXABLE	372,881.00A
TAX	67,119.00A
01/08/13 WT 14:43	# 0
FISCAL TICKET NO. 23	

01T2202069
*****END OF LEGAL RECEIPT*****



****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO.7 KARIAKOO HAHUWA STREET
0659 133330
TIN:107-284-885
VRN:40-002680 X
01 JUNE 10010619110728488501122
02069

TYRES	50000X10.00	Tsh	18.00%
SUBTOTAL	500,000.00		

TOTAL Tsh 500,000.00

SELLING VAT

GROSS 18.00%	500,000.00A
TAXABLE	423,778.00A
TAX	76,222.00A
02/08/13 WT 15:24	# 0
FISCAL TICKET NO. 26	

01T2202069
*****END OF LEGAL RECEIPT*****



****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO.7 KARIAKOO HAHUWA STREET
0659 133330
TIN:107-284-885
VRN:40-002680 X
01 JUNE 10010619110728488501122
02069

TYRES	71000X5.00	Tsh	18.00%
SUBTOTAL	355,000.00		

TOTAL Tsh 355,000.00

SELLING VAT

GROSS 18.00%	355,000.00A
TAXABLE	300,847.00A
TAX	54,153.00A
05/08/13 WT 12:45	# 0
FISCAL TICKET NO. 39	

01T2202069
*****END OF LEGAL RECEIPT*****



****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO. 7 KARIAKOO MAHIWA STREET
0659 133330
TIN: 107-284-885
VRN: 40-002680-X
01JONE 100106191107284885011Z2
02069

TYRES 110000x4.00 TSh
440.000.00 18.00%
SUBTOTAL 440.000.00

TOTAL Tsh 440.000.00

SELLING VAT

GROSS 18.00% 440.000.00A
TAXABLE 372.881.00A
TAX 67.119.00A
01/08/13 DT 12:06 # 0
FISCAL TICKET NO. 9
011Z202069

*****END OF LEGAL RECEIPT*****



****START OF****
****LEGAL RECEIPT****

ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO. 7 KARIAKOO-MAHIWA STR91
FAX 022 2183589
TIN: 107-284-885
VRN: 40-002680-X
01JONE 100106191107284885011Z2
02069

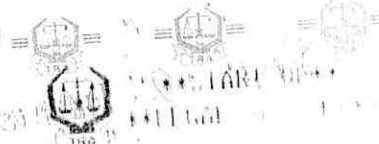
TYRES 145000x2.00 TSh
290.000.00 18.00%

TOTAL Tsh 290.000.00

SELLING VAT

GROSS 18.00% 290.000.00A
TAXABLE 245.762.00A
TAX 44.238.00A
06/08/13 DT 10:33 # 0
FISCAL TICKET NO. 11
01T2202069

*****END OF LEGAL RECEIPT*****



ARTAN LIMITED
P.O. BOX 7494 DSH
PLOT NO. 7 KARIAKOO-MAHIWA STR91
FAX 022 2183589
TIN: 107-284-885
VRN: 40-002680-X
01JONE 100106191107284885011Z2
02069

TYRES 4x440.000.00 TSh
1.760.000.00

TOTAL Tsh 1.760.000.00

SELLING VAT

GROSS 18.00% 1.760.000.00A
TAXABLE 1.491.525.41A
TAX 268.474.59A
05/08/13 DT 11:47 # 0
FISCAL TICKET NO. 74
01T2202069

*****END OF LEGAL RECEIPT*****

Great Building Material

Feasibility Report

For

Set Up of Manufacturing Unit of Nuts/Bolts & Nails

By;

Great Building Material

P O Box 20232

Dar es Salaam

Great Building Material

Feasibility Report

For

Set Up of Manufacturing Unit of Nuts/Bolts & Nails

By;

Great Building Material

P O Box 20232

Dar es Salaam

Executive Summary

1 Introduction

This study is done with an objective of preparing a Feasibility Report for M/s Great Building Material, of Kiwalani, Dar es Salaam for a project of setting up of Manufacturing Unit of Nuts/Bolts & Nail in Dar es Salaam, Tanzania.

The scope of services for the proposal feasibility report for development of manufacturing unit for the production of Nuts/ Bolts & Nails in Dar es Salaam include: Market assessment, Development program, land and civil works, project implementation schedule, project cost, financial projections, and conclusion & recommendations.

The overall approach comprised a combination of secondary and primary research. A multi-disciplinary team of appropriate personnel with experience in techno economic studies and market research were deployed for undertaking this assignment.

The assignment commenced with a planning for the primary and secondary research. Initially, our team interacted with Great Building Material officials to understand the requirements of the study.

Later, the team continuously interacted with Great Building Material for their inputs on the plan of the unit, machinery, the constructing cost, project cost, financing etc.

The data obtained from the secondary and primary research has been analyzed and incorporated in the report. A worksheet model has been prepared for feasibility calculations.

The report is prepared on the basis of best of the information provided by the various stakeholders and associations/agencies. The information in the report should not be claimed and be used as evidence for any purpose.

2 Demographic Indicators & Development – Tanzania

Tanzania has been showing an appreciate growth in the past few years. The development taking place in the country has been in pace with the other developing nations. The GDP in real terms grew by 7.1 % in 2007, compared to 6.7 % in 2006. Over the years the construction has shown a decent increase.

Since the country started to implement economic and institutional reforms, there has been a steady increase of Foreign Direct Investment (FDI) inflows in the economy. Tanzania is among top three recipients of foreign direct investments (FDI) in non-oil producing African countries after South Africa and Ethiopia. Inflows of FDI have risen from US \$ 463.40 million in 2000 to US \$ 12.50 million in 2007.

3 Genesis & Details of the Project

The project involves set up of manufacturing unit of Nuts/Bolts and Nail at Kiwalani Industrial Area, Dar es Salaam

M/s. Great Building Material of Kiwalani, Dar es Salaam, was incorporated on the 31st July, 2013 as private limited liability company under the Companies Ordinance (Cap 212 of the Laws of Tanzania).

The day to day activities would be managed by an individual appointed for the said purpose. It is expected that a significant number of people will be employed, during the construction of the commercial complex and about 20 local citizens would be employed permanently, excluding the security guards, once it becomes operational.

5 Project Cost and Means of Finance

The development cost of the entire project has been estimated to be around US \$ 4.00 million. The major factors contributing towards the cost of the project is the cost of machinery and building construction.

The table below indicates the detailed cost of project:

Table 1: Cost of Project

COST OF THE PROJECT AND MEANS OF FINANCE		
USD		
NO.	PARTICULARS	TOTAL
1	Building and Civil Work	400,000
2	Plant and Machinery – Nails	300,000
3	Plant and Machinery – Nuts and Bolts	2,700,000
4	Motor Vehicles	280,000
5	Office Equipments	50,000
6	Furniture & Fixture	40,000
7	Pre-operative Expenses	85,190
8	Contingencies	84,810
9	Interest during development	60,000
	TOTAL	4,000,000

It has been conveyed to us that the promoters have already had consent from the bank. Considering the size of this project, and also keeping in mind the 3 months of implementation period, the contingencies and pre-operational expenses have been estimated at US\$ 170,000/-

The finance for the project is already arranged for by the promoters. The table below indicated in details the manner in which the investment is going to be arranged:

Table 2: Means of Finance

NO.	MEANS OF FINANCE	TOTAL
1	Equity	100,000
2	Director's Loan	900,000
3	Long Term Loan from Banks	3,000,000
	TOTAL	4,000,000

7 Financial Projections

Details of financial projections are attached as appendices to this report. However, in brief the annexed project financials show that the project will be one with a full proof financing scheme.

For the purpose of calculations and projections the following assumptions were made:

1. Long term loan is availed @ 8% per annum
2. The repayment of the loan would start very second year in installments of US\$ 666,667/- per annum.

The detailed calculations of the projected financial are given in the annexure. The Net Present Value for the project comes out to be US\$ 1,109,296/= and the IRR is reasonably good at 19%. Pay Back for the project is estimated to be around 4.59 years.

The next annexure indicates the calculation for the Break Even Analysis and the Margin of Safety. It must be noticed that the average Return on Investment for the five years is more than 22%, which is a very good sign for the investors.

As far as DSCR is concerned we can see that for the coming years it is expected to be more than 1 which means that the company can repay the loan from its current profits only and not require to repay from its accumulated resources.

8 Development Value

The Project's development value to the country is as under:-

The project will generate employment to several people both during the development and after completion. It has been estimated that directly or indirectly this project will provide employment to nearly 20 individuals excluding the security guards.

Government will also earn revenue in terms of various levies on the Company associated with the operation of the complex. Further as indicated in the financial projections the total contribution for five years by way of income-tax itself will be to the tune of about US\$ 778,910. Last but not the least, the manufacturing units are always considered to be a national property and will therefore add to the national wealth.

It may be mentioned here that total investment of US\$ 4.00 million will play a good part in boosting the local economy. Considering all relevant factors it is being recommended that the grant of 0% import duty and VAT deferment on capital goods and deemed capital goods is granted to this project not only to make the project viable but also to catalyse other development benefits that may accrue to the country on acceptance of this project.

1. INTRODUCTION

1.1 Study objective

This study is done with an objective of preparing a Feasibility Report (TEFR) for M/s Great Building Material, of Kiwalani, Dar es Salaam for a project of setting up of manufacturing unit of Nuts/Bolts and Nail in Dar es Salaam, Tanzania.

1.2 Scope of work

The scope of services of the proposed feasibility study for development of manufacturing unit in Dar es Salaam includes:-

- Market assessment (current industry status, growth rate, future demand forecast).
- Development program (project configuration, construction plan).
- Land and civil works (total land area required & cost thereof, cost of building and civil works).
- Project Cost (Basis, Cost of Land and Building, Cost of Equipment, Furniture & Fixtures, Professional Consultancy Fees and other Pre-operative expenses, Total project cost, and Means of Financing). Financial Statements – Annual Expenses, Sales Revenue, Profit and Loss Statement, Cash Flow Statement, Balance Sheet, Break Even Analysis, IRR, NPV, Return on Investment.
- Conclusions and recommendations.

1.3 Approach and methodology

Approach

The overall approach comprised a combination of secondary and primary research. A multi-disciplinary team of appropriate personnel with experience in techno economic studies and market research were deployed for undertaking this assignment.

Methodology.

The assignment commenced with a detailed planning for the primary and secondary research. Initially, our team interacted with Great Building Material officials to understand the requirements of the study. Later, the team continuously interacted with Great Building Material for their inputs on the plan of the commercial complex, the material that would be used, the construction cost, project cost, financing etc.

➤ Secondary Research

A detailed desk research was undertaken to gain a fair understanding of the construction industry, its trends, market size, best practices etc. The sources from which the secondary data was collected included in-house database, internet, and various periodicals. The secondary research was used for planning the primary research for the study and indentifying the data to be collected by way of primary research. A detailed desk research was undertaken to gain a fair understanding of the construction industry, its trends, market size, best practice etc. The sources from which the secondary data was collected included in-house database, internet, and various periodicals. The secondary research was used for planning the primary research for the study and identifying the data to be collected by way of Primary research.

➤ Primary Research

Interview guidelines were developed for the compilation of the necessary information by way of interview.

1.4 Data Analysis and Report Preparation

The data obtained from the secondary and primary research has been analyzed and incorporated in the report. A worksheet model has been prepared for feasibility calculations.

Report Format

The report is presented in 07 chapters.

Chapter 1 Introduction

This chapter outlines the objectives, scope, approach & methodology for the study.

Chapter 2 Demographic Indicators & Development – Tanzania

This chapter discusses about the demography of Tanzania and the macro-economic developments that are taking place in the Country.

Chapter 3 Genesis & Details of the Project

The chapter discusses the initiation of the project, the stakeholders, location, construction details, components of the projects, employment details and other relevant details.

Chapter 4 Project Cost and Means of Finance

The chapter presents the elements of the project cost and discusses the means of financing for the project.

Chapter 5 Financial Projections

Financial statements including projected income statement, projected cash flow statement and projected balance sheet for the first 05 years of operation and financial indicators such as IRR and payback period are given in this chapter.

The Return on Investment on annual basis for the project has also been calculated.

Chapter 6 Developmental Value

This chapter mentions about the benefits incurring to the nation and the citizens as a result of this implementation of the project in consideration.

Chapter 7 Conclusions and Recommendations

The chapter discusses the conclusions derived from the study and recommendations how to go ahead.

Annexure

1.5 Limitations

The report is prepared on the basis of best of the information provided by the various stakeholders and association/agencies. The information in the report shall not be claimed and be used as evidence for any purpose.

2. Demographic Indicators and Development – Tanzania.

2.1 Tanzania – The Developing Economy

In the African continent Tanzania is among the fastest developing economies. Tanzania has clinched the top slot in the improvement index as published by the Centre for International Development at Harvard University.

The report titled “The Africa Competitiveness Report 2000/2001” ranks Tanzania as first on improvement index. Investors in Tanzania are highly optimistic of the future of the economy.

Low inflation, a reasonable stable currency, friendly government and peaceful country are what most of the international company chiefs quoted as being economic driving force.

Tanzania has been showing an appreciable growth in the past few years. The development taking place in the country has been in pace with the other developing nations.

Tanzania has been showing an appreciable growth in the past few years. The development taking place in the country has been in pace with the other developing nations. The GDP in real terms grew by 7.1% in 2007, compared to 6.7% in 2006. Over the years the construction has shown a decent increase.

Source Economic Survey 2007

Since the country started to implement economic and institutional reforms, there has been a steady increase of Foreign Direct Investment (FDI) inflows in the economy. Tanzania is among top three recipients of foreign direct investments (FDI) in non-oil producing African countries after South Africa and Ethiopia. Inflows of FDI have risen from US \$ 463.40 million in 2000 to US\$ 512.50 million in 2007.

Although on one hand the money supply has increased, the government has been successful in keeping the level of inflation to lower levels. About a decade ago, the inflation used to be as high as 21% and thus survival of the business itself had become a tough task. The chart below indicates the trend in inflation in Tanzania mainland and appreciably how it maintained in the desirable limits.

The population of Tanzania's mainland has been estimated to have crossed 40 million. And the region with highest population density is Dar es Salaam, with 2079 people per square kilometer, followed by Mwanza and Kilimanjaro. The table below indicates the distribution of population in the major municipalities of Tanzania.

There is sharp increase in the manufacturing industries in Tanzania. The contribution of Manufacturing Industry to GDP is quite significant:-

3. Genesis & Details of the Project

3.1 Introduction

The project involves setting up of Manufacturing Plant for Nuts/Bolts and Nail at Kiwalani, Dar es Salaam.

Tanzania is growing commercially and is being viewed positively by outside world. The tourists are becoming more and more interested in viewing the national parks and hidden beauties. Tanzania depends largely on the performance of its agricultural sector for its social and economic development. Like many developing countries it is the agricultural sector that constitutes the major source of national food reserves and, at the same time is an engine for generating foreign exchange and raw materials for basic industries.

Despite the recent growth in mining, transportation and tourism activities which have followed the liberalization of trade and the economy in general, the contribution of the agricultural sector has continued to have substantial bearing on the country's economy. As result of this foreign exchange earnings generated through exports of coffee, tea, sisal and tobacco have continued to put the economy buoyant throughout the period of "economic shocks" which started in the late 1970s.

However, present economic reforms taking place in the country have started to show that other sectors of the economy like – general engineering and fabrication, tourism, general trade and commerce in non-tradition products, are becoming increasingly important sectors of the economy, especially considering their potential for generating foreign exchange earnings.

As a consequence it is imperative that the need for more and more manufacturing units will be felt and the fact is that there is shortage of such manufacturing units in Dar es Salaam which is the financial capital of the Country.

It is therefore inferred that such project should be undertaken. It is confirm that Great Building Material has the required expertise for the Project.

With ready market, availability of proven management expertise and availability of funding to the extent needed, the success of the project is guaranteed.

3.2 Incorporation of the company:

M/s Great Building Material of P O Box 20232, Dar es Salaam was incorporated on the 31st July, 2013 as private limited liability company under the Companies Ordinance (Cap 212 of the Laws of Tanzania).

3.3 Ownership:

Sun Xiujun and Cui Ziangshang are the promoters and first directors of the Great Building Material. Its head office is in Dar es Salaam.

3.4 Location

The site is to be developed on Kiwalani, Industrial Area, Dar es Salaam. This place is well served with the necessary utility facilities, including the central sewerage system for all liquid waste. Communication links are also available.

3.5 Day to day management.

The management of the company has the required expertise in-house. The day to day activities would be managed by an individual appointed for the said purpose.

3.6 Employment

It is expected that a significant number of people will be employed, during the construction of the commercial complex and about 20 local citizens would be employed permanently, excluding the security guards, once it becomes operational. Security personnel will be contracted from an outside security firm.

3.7 Strategies

In order to achieve the objectives it is planned to implement the following strategies;

- Establish an effective preventive maintenance programme of the equipment, which will ensure sustainable equipment availability for operation.

- Establish a quality assurance and control system that will ensure provision of quality products and services.
- Conduct regular evaluations of production and servicing processes to ensure optimum costs of products and services.
- Devise and implement productivity improvement measures
- Develop and implement an effective marketing policy
- Develop and implement an advertising and promotion programme
- Establish effective financial and resources management.

3.8 Market

Recent reforms taking place in the economy indicate that there is an increase in demand for bolts/nuts and nails. The following are some of the factors that have contributed to such an increase in demand for these products in the country:-

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

These factors have led to increased demand for general engineering activities for products in the country. Furthermore, these factors have created the impetus for increased inflow of investment capital by foreign and local private investors who now have decided to venture in the importation and industrial raw materials.

The reforms which are now being introduced in this sector aim at influencing the inflow of and increased supply of both capita goods and other industrial productions and their distribution in the country and beyond and national borders.

4. Project Cost and Means of Finance

4.1 Cost of Project

The development cost of the entire project has been estimated to be around US\$ 4.00 million. The major factors contributing towards the cost of the project is the cost of machinery and cost of equipments.

The table below indicates the detailed cost of project.

Table f: Cost of Project

COST OF THE PROJECT AND MEANS OF FINANCE		
USD		
NO.	PARTICULARS	TOTAL
1	Building and Civil Work	400,000
2	Plant and Machinery – Nails	300,000
3	Plant and Machinery – Nuts and Bolts	2,700,000
4	Motor Vehicles	280,000
5	Office Equipments	50,000
6	Furniture & Fixture	40,000
7	Pre-operative Expenses	85,190
8	Contingencies	84,810
9	Interest during development	60,000
	TOTAL	4,000,000

Considering the size of this project, and also keeping in mind the 3 months of implementation period, the contingencies and pre-operational expenses have been estimated at US\$ 170,000/-

Stock of Consumables has been considered at 1.5 months, and Debtors at 1 months.

On the other hand, 40 days credit has been considered form creditors.

4.2 Means of Finance

The finance for the project is already arranged for by the promoters. The table below indicated in details the manner in which the investment is going to be arranged.

Table g: Means of Finance.

NO.	MEANS OF FINANCE	TOTAL
1	Equity	100,000
2	Director's Loan	900,000
3	Long Term Loan from Banks	3,000,000
	TOTAL	4,000,000

5. Financial Projections

Details of financial projections are attached as appendices to this report. However, in brief the annexed project financials show that the project will be one with a full proof financing scheme.

The financing is so prudently designed that the smooth cash flow position is guaranteed throughout the gestation period.

5.1 Assumptions

For the purpose of calculations and projections the following assumptions were made:

Table h: Assumption for the project

Sr No	Particulars	
1.	Long Term Loan is availed @ 8% per annum	
2.	The repayment of the loan would start very second year in the instalment of USD 666,667/- p.a.	
3.	Production and Rate of Nuts & Bolts	
	Average Production per day in Tons	3
	Average Rate per Ton	3,000
	Number of days in year considered	300
	Turnover @ 100% capacity (A)	2,700,000
4.	Production and Rate of Nail Wire	
	Average Production per day in Tons	4
	Average Rate per Ton	1,000
	Number of days in year considered	300
	Turnover @ 100% capacity (B)	1,200,000
	Turnover @ 100% capacity (A+B)	3,900,000

5.2 Financial Indicators

Considering the usage and demand of Nuts/Bolts and Nail Wires, it can be safely presumed that the premises will safely enjoy 65% occupancy from 2010 and then 5% increase every year. On the basis as mentioned above, the profitability for the company in 2010 has been worked out as following:

Table i: Annual Profitability of the Company

Particulars	2011
Capacity Utilisation	65%
Sales Turnover	2,535,000
Less Cost of Production	1,394,250
Gross Profit	1,140,750
Less	
Administration Expenses	202,800
Marketing Expenses	25,350
Financial Expenses on Long Term Loan	231,667
Depreciation	481,432
Total Indirect Cost	941,249
Operating Profit Before Tax	199,501
Taxation @ 30%	59,850
Operating Profits After Tax	139,651
Proposed Dividends	-
	139,651
Cumulative Net Cash Profits CF to Balance Sheet	
Net Cash Profit from Operations	621,083

The detailed calculations of the projected financial are given in the annexure. The Net Present Value for the project comes out to be US\$ 1,109,296/- and the IRR is reasonably good at 19%. Pay Back Period for the project is estimated to be around 4.59 years.

The next annexure indicates the calculations for the Break Even Analysis and the Margin of Safety. It must be noticed that the average Return on Investment for the five years is more than 22%, which is a very good sign for the investors.

The chart below indicated the summary of the projected profits of the company from the first five years of the operations.

Over a period of five years operations the total amount of Reserves generated shall be to the tune of US\$ 1,817,456. It shows a comfortable position for the company.

6. Developmental Values

The project's development value to the country is as under:-

1. The project will generate employment to several people both during the construction and after completion. It has been estimated that directly or indirectly this project will provide employment to nearly 20 individuals excluding the security guards.
2. Government will also earn revenue in terms of various levies on the Company associated with the operation of the complex. Further r as indicated in the financial projections the total contribution for five years by way of income-tax and withholding tax will be to the tune of about US\$ 778,910.
3. The project will also contribute directly and indirectly in the generation of foreign exchange.
4. Last but not least, the manufacturing units are always considered to be a national property and will therefore add to the national wealth.

7. Conclusions & Recommendations

The economic impact from implementing and operating it is also positive.

Since the project is technically feasible, financially and economically viable, socially and from nation's point of view desirable a fast implementation thereof is recommended. It is important that there are no cost overruns so as to enable the realization of the benefits as outlined above.

It may be mentioned here that total investment of US\$ 4.00 million will play a good part in boosting the local economy.

Considering all relevant factors it is being recommended that the grant of 0% import duty & VAT deferments on capital goods and deemed capital goods is granted to this project not only to make the project viable but also to catalyze other development benefits that may accrue to the country on acceptance of this project.



Financial Statements

COST OF THE PROJECT AND MEANS OF FINANCE		
		USD
NO.	PARTICULARS	TOTAL
1	Building and Civil Work	400,000
2	Plant and Machinery – Nails	300,000
3	Plant and Machinery – Nuts and Bolts	2,700,000
4	Motor Vehicles	280,000
5	Office Equipments	50,000
6	Furniture & Fixture	40,000
7	Pre-operative Expenses	85,190
8	Contingencies	84,810
9	Interest during development	60,000
	TOTAL	4,000,000
NO.	MEANS OF FINANCE	TOTAL
1	Equity	100,000
2	Director's Loan	900,000
3	Long Term Loan from Banks	3,000,000
	TOTAL	4,000,000

PROJECTED BALANCE SHEET

		USD					
NO.	Particulars	YEARS					
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
A	Fixed Assets (Net)	4,000,000	3,518,568	3,100,696	2,736,655	2,418,626	2,140,200
B	Current Assets						
	Stock of Consumables	-	154,917	175,175	187,688	210,980	224,166
	Debtors	-	211,250	227,500	243,750	274,000	291,125
	Cash & Bank balance	1,000	78,765	26,692	45,207	46,670	63,393
	Total Current assets	1,000	444,932	429,367	476,645	531,650	578,684
C	Current Liabilities						
	Sundry Creditors	-	152,795	172,775	185,116	208,090	221,095
	Other Creditors	1,000	4,388	4,607	4,837	5,079	5,333
D	Total Current liabilities	1,000	157,182	177,382	189,954	213,169	226,429
	Net Current Assets	-	287,750	251,985	286,691	318,481	352,256
	Total Assets	4,000,000	3,806,317	3,352,681	3,023,347	2,737,107	2,492,456
E	Finance by:						
F	Equity	100,000	100,000	100,000	100,000	100,000	100,000
G	Director's Loan	900,000	900,000	900,000	900,000	775,000	575,000
H	Reserves	-	139,651	352,681	690,013	1,195,440	1,817,456
	Long Term Loan	3,000,000	2,666,667	200,000	1,333,333	666,667	-
	Total Liabilities	4,000,000	3,806,317	3,352,681	3,023,347	2,737,107	2,492,456

PROJECTED PROFITABILITY STATEMENT

USD

PARTICULARS	Years				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
A. Nuts & Bolts					
Average Production per day in Tons	3	3	3	3	3
Average Rate per Ton	3,000	3,000	3,000	3,100	3,100
Number of days in year considered	300	300	300	300	300
Turnover @ 100% capacity (A)	2,700,000	2,700,000	2,700,000	2,790,000	2,790,000
B. Nail Wire					
Average Production per day in Tons	4	4	4	4	4
Average Rate per Ton	1,000	1,000	1,000	1,000	1,100
Number of days in year considered	300	300	300	300	300
Turnover @ 100% capacity (B)	1,200,000	1,200,000	1,200,000	1,320,000	1,320,000
Turnover @ 100% capacity (A+B)	3,900,000	3,900,000	3,900,000	4,110,000	4,110,000
Capacity Utilisation	65%	70%	75%	80%	85%

PROJECTED PROFITABILITY STATEMENT

USD

PARTICULARS	Years				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Turnover	2,535,000	2,730,000	2,925,000	3,288,000	3,493,500
Less Cost of Production	1,394,250	1,576,575	1,689,188	1,898,820	2,017,496
Gross Profit	1,140,750	1,153,425	1,235,813	1,389,180	1,476,004
Less					
Administration Expenses	202,800	212,940	223,587	234,766	246,505
Marketing Expenses	25,350	26,618	27,948	29,346	30,813
Financial Expenses on Long Term Loan	231,667	191,667	138,333	85,000	31,667
Depreciation	481,432	417,871	364,041	318,029	278,426
Total Indirect Cost	941,249	849,096	753,910	667,142	587,410
Operating Profit Before Tax	199,501	304,329	481,903	722,038	888,593
Taxation @ 30%	59,850	91,299	144,571	216,612	266,578
Operating Profits After Tax	139,651	213,031	337,332	505,427	622,015
Proposed Dividends	-	-	-	-	-

PROJECTED PROFITABILITY STATEMENT					
USD					
PARTICULARS	Years				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Cumulative Net Cash Profits CF to Balance sheet	139,651	352,681	690,013	1,195,440	1,817,456
Net Cash Profits from Operations	621,083	630,902	701,73	823,456	900,441

PROJECTED PROFITABILITY STATEMENT						
USD						
PARTICULARS	Years					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Inflow						
Equity	100,000	-	-	-	-	-
Director's Loan	900,000	-	-	-	-	-
Long Term Loan from Bank	3,000,000	-	-	-	-	-
Profit from Operations	-	621,083	630,902	701,373	823,456	900,441
Total Inflow	4,000,000	621,083	630,902	701,373	823,456	900,441
Outflow						

PROJECTED PROFITABILITY STATEMENT

USD

PARTICULARS	Years					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Construction Cost	4,000,000	-	-	-	-	-
Increase / (Decrease) in Net Current Assets	(1,000)	209,985	16,308	16,191	30,327	17,052
Repayment of Long Term Loan	-	333,333	666,667	666,667	666,667	666,667
Repayment of Director's Loan	-	-	-	-	125,000	200,000
SUB-TOTAL	3,999,000	543,318	682,975	682,858	821,994	883,718
SURPLUS / (DEFICIT)	1,000	77,765	(52,073)	18,515	1,462	16,723
OP. CASH BALANCE	-	1,000	78,765	26,692	45,207	46,670
CLOSING CASH BALANCE	1,000	78,765	26,692	45,207	46,670	63,393

PROJECTED PROFITABILITY STATEMENT

PARTICULARS	Years					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Current Assets						
Stock (45 days)	-	154,917	175,175	187,688	210,980	224,166
Debtors (30 days)	-	211,250	227,500	243,750	274,000	291,125
Current Assets Required	-	366,167	402,675	431,438	484,980	515,291
Current Liabilities						
Sundry Creditors (40 days)	-	152,795	172,775	185,116	208,090	221,095
Other Liabilities (7 days)	1,000	4,388	4,607	4,837	5,079	5,333
SUB TOTAL	1,000	157,182	177,382	189,954	213,169	226,429
NET WORKING CAPITAL REQUIREMENT	(1,000_	208,985	225,293	241,484	271,811	288,863

Projected Schedule for Repayment of Long Term Loan						
						(Units US\$)
Year	Opening Balance	Addition	Repayments	Closing balance	Average	Interest
					8%	
Year 1	-	3,000,000	-	3,000,000		60,000
Year 2	3,000,000	-	333,333	2,666,667	2,833,333	226,667
Year 3	2,666,667	-	666,667	2,000,000	2,333,333	186,667
Year 4	2,000,000	-	666,667	1,333,333	1,666,667	133,333
Year 5	1,333,333	-	666,667	666,667	1,000,000	80,000
Year 6	666,667	-	666,667	-	333,333	26,667

Assumptions

1. The term loan will be availed from October Year 1
2. The Installation would complete in December Year 1
3. The repayment will start after 6 months of start of operation i.e. July Year 2.
4. The Repayment period would be of 6 years, as the six months are moratorium period so effective instalments are 54 starting from July of Year 2.
5. The Interest has been calculate on the basis of average balance every year.

Projected Schedule for Repayment of Long Term Loan						
						(Units US\$)
Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Interest on term loan	60,000	226,667	186,667	133,333	80,000	26,667
Bank Charges	-	5,000	5,000	5,000	5,000	5,000
total	60,000	231,667	138,333	138,333	85,000	31,667

CALCULATION OF FINANCIAL INDICATORS						
Projected Internal Rate of Return (IRR) & Net Present Value (NPV)						
						USD
Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6
Capital Outflow/Investment	(4,000,000)	-	-	-	-	-
Cash Profits-CPBDIT	-	852,750	822,569	839,706	908,456	932,108
Increase in Current Assets	(1,000)	209,985	16,308	16,191	30,327	17,052
Residual value current assets after 5 yrs	-	-	-	-	-	578,684
Residual value fixed assets after 5 yrs	-	-	-	-	-	2,140,200
Total	(4,001,000)	1,062,734	838,877	855,897	938,784	3,668,044
IRR =	19%					
NPV =	1,109,296	@ 10%				

Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Operating Cash Profit After Tax	621,083	630,902	701,373	823,456	900,441
Interest on Long Term Loan	231,667	191,667	138,333	85,000	31,667
Gross Operating Profit	852,750	822,569	839,706	908,456	932,108
Cumulative Gross Operating Surplus	852,750	1,675,318	2,515,025	3,423,481	4,355,589
Net CoP (US\$) =	4,000,000	Pay Back Method		4.59	Years

CALCULATION OF FINANCIAL INDICATORS					
Projected Break Even Analysis					
					USD
Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Revenue					
Total Revenue	2,535,000	2,730,000	2,925,000	3,288,000	3,493,500
Variable Cost	1,394,250	1,576,575	1,689,188	1,898,820	2,017,496
Fixed Cost					
Administration Expenses	202,800	212,940	223,587	234,766	246,505
Marketing Expenses	25,350	26,618	27,948	29,346	30,813
Interest on Long Term Loans	231,667	191,667	138,333	85,000	31,667
Sub-Total	459,817	431,224	389,869	349,112	308,984
Break Even Revenue	1,021,815	1,020,649	922,766	826,301	731,324
Margin of Safety	1,513,185	1,709,351	2,002,234	2,461,699	2,762,176

CALCULATION OF FINANCIAL INDICATORS					
Return on Investment (ROI) per year					
Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
ROI before Tax	17.02%	18.06%	21.15%	26.00%	29.18%
ROI after Tax	15.53%	15.77%	17.53%	20.59%	22.51%

Particulars	Average
ROI before Tax	22.28%
ROI after Tax	18.39%

CALCULATION OF FINANCIAL INDICATORS					
Return on Investment (ROI) per year					
Particulars	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Profit After Tax	139,651	213,031	337,332	505,427	622,015
Add: Depreciation	481,432	417,871	364,041	318,029	278,426
Interest Charges	226,667	186,667	133,333	80,000	26,667
Sub Total	847,750	817,569	834,706	903,456	927,108
Interest Charges	226,667	186,667	133,333	80,000	26,667
Installments	33,333	666,667	666,667	666,667	666,667
Sub Total	560,000	853,333	800,000	746,667	693,333
DSCR	1.51	0.96	1.04	1.21	1.34
Average DSCR	1.21				