

MINUTE SHEET

Dokezo
No.

1.0

EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest us\$ 0.847 m

(b) Legal entity has been incorporated under certificate

No. 101708 of 20/08/2013

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

Submitted for signature.


N. Senzia
DIF

19th September, 2013



2.0

Ag EXD done re. 10/10/2013

In response to the TIC letter of registration dated 13th September 2013

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from Agri Culture Bank of China

(c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 042532 herein attached.

9/10/2013


DIF

MINUTE SHEET

Dokezo
No.

Unclaimed refund 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 REC01292

No. 006880

Received from : LOTAI STEEL TANZANIA LTD

Address P.O. Box Dar Es Salaam

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

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 1,000.00

Cash / Cheque No: D/deposit 25/9

Date : 25-Sep-2013

Buisson
Receiving Officer



**For Executive Director
Tanzania Investment Centre**

LOTAI STEEL (TANZANIA) LIMITED

P.O Box 33772

Dar es Salaam

(1)

3rd September, 2013

Executive Director

Tanzania Investment Centre

P.O Box 938

Dar es Salaam



RE: APPLICATION FOR CERTIFICATE OF INCENTIVES UNDER TIA 1997

We are a limited liability company which was formed under the companies' ordinance (cap 212). The company is registered under certificate of incorporation No. 101708

The company is planning a project for production building materials (Roofing materials) products located on the premises at Warehouse No. 1 Plot No. 249 Mandela Road Ilala Dar es Salaam. We plan to improve operation by acquiring state of art plants and other establishing materials, so we kindly request your approval and grant of TIC certificate of incentives to facilitate smooth implementation of the project.

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

1. Dully Completed and Signed Application Form
2. Business Plan
3. Copy of Certificate of Incorporation
4. Copy of Memorandum and Articles of Association
5. Banker's Letter of Reference from M corporate and Investment Bank
6. Lease agreement- Warehouse No. 1 Plot No. 249 Mandela Road Ilala
7. Company Board Resolution

Thanking you for your kind cooperation

Yours sincerely,



Director

LOTAI STEEL (TANZANIA) LIMITED

P.O Box 33772

Dar es Salaam

3rd September, 2013

**EXTRACT OF MINUTES OF EXTRAORDINARY BOARD MEETING HELD AT THE
COMPANY'S REGISTERED OFFICE IN GODOWN No. 1 PLOT NO. 249 -MANDELA ROAD
DAR ES SALAAM ON 23RD AUGUST 2013, AT 12.00 PM**

"SPECIAL RESOLUTION"

Among other issues related to a project to produce building materials, It was resolved that the company apply for TIC certificate of incentive as per Tanzania Investment Act 1997 so that the project can enjoy various incentives as granted by the law

There being no other business to transact, the meeting was officially closed at 14.00AM



Date.....



TANZANIA



Certificate of Incorporation

Section 15


No 101708

I HEREBY CERTIFY THAT

LOTAI STEEL (TANZANIA) LIMITED

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

Given under my hand at Dar es salaam

this 20TH day of AUGUST**TWO THOUSAND AND THIRTEEN**
Asst. Registrar of Companies

WAREHOUSE LEASE AGREEMENT

BETWEEN

S.T. ABRI LTD

AND

LOTAI STEEL (TANZANIA) LIMITED

Drawn by:

ABC ATTORNEYS,
NBC BUILDING MNAZI MMOJA BR,
2ND FLOOR, JAMHURI STREET,
P.O BOX 3233,
DAR ES SALAAM.
TANZANIA (EA)

Certified as a True Copy of the Original


ILDEFONCE LUNLI NDEMELA
Advocate, Notary Public & Commissioner for Oaths

3/3/2013

WAREHOUSE LEASE AGREEMENT

THIS LEASE AGREEMENT is made this 22nd day of August 2013

BETWEEN

S.T. ABRI LTD., of P.O BOX 41073 Dar es Salaam (hereinafter referred to as "the **Lessor**" which expression shall, where the context so admits include her assigns and or successors in title) of the one part;

AND

LOTAI STEEL (TANZANIA) LIMITED, company registered in Tanzania under the Companies Act (Chapter 212 of the Laws of Tanzania, R.E. 2002) with physical address at Warehouse 1, Plot No. 249, Mandela Road (Herein referred as the **Lessee** which expression shall, where the context so admits include his assigns and or successors in title) of the other part;

WHEREAS the **Lessor** is the beneficial owner of the Warehouse on Plot No. 249, with Square meters: 1200 hereinafter referred as a **property** situated at Mandela Road, at Ilala area within the city of Dar es Salaam.

AND WHEREAS the **Lessee** has agreed to lease the said property from the **Lessor**.

The contracting parties, whose names and addresses have been indicated herein above, have agreed as follows:-

1. That this lease agreement will be for a term of 5 years and shall commence from 1st Day of September 2013 to the 31st day of August 2018.
2. This lease agreement shall not in any way confer onto the **Lessee** a right of a statutory tenancy.
3. The rent shall be calculated in reflection of 5 USD per sq meters (for 1200 square meters)
4. The rent will be reviewed after the expiry of the first two years.
5. **YIELDING AND PAYING** therefore and throughout during the said term of first 2 years total rent of USD 169,920.00 (vat Inclusive) (One sixty nine hundred, nine hundred and twenty United states Dollars Only) payable in the following manner:

STAMP DUTY
Shs. 1,363,608 Collected
Receipt No. 242787 Date: 29/8/2013
[Signature]
Regional Manager-Ilala Tax Region

- a) First installment of USD 42,480.00 (vat inclusive) for the first six months will be paid upon signing this agreement.
- b) After the expiry of six months the Lessee will pay annually, the rent amounting to USD 84,9760.00(vat inclusive)

6. The **Lessee** HEREBY COVENANTS with the **Lessor** as follows:-

- a. To pay the rent hereby reserved and in the manner aforesaid.
- b. To pay all charges for water, electricity, telephone (if any) and other consumable charges in respect of the premises AND in the event of water being supplied to the premises to pay to the **Lessor** the cost of supplying and installing a meter.
- c. Shall not assign, convey, transfer, mortgage, pledge, or encumber this Lease, in whole or in part, or sublet the premises or any part of the premises, without first obtaining the express prior written notice of Lessor, which notice may not be unreasonably withheld.
- d. **Lessee** agrees to take good care of the premises and its contents, to commit no waste on or about the warehouse, and at the termination of this agreement to return the premises and its contents clean and free from trash and in the same condition as when received except for such ordinary wear and tear as reasonable and careful use would have caused.
- e. Not to use the leased warehouse or any part thereof for illegal or immoral purposes.
- f. To sign and acknowledge the number of keys or any other items supplied to it at the commencement of this agreement by way of an inventory which shall be Annexed and form part of this agreement.
- g. Shall permit the **Lessor** or persons designated by his/her at all reasonable times to enter the leased premises, with prior notice of at least 24 hours and with the consent of the **Lessee**, for the purpose of viewing the conditions of the demised premises. Provided that **Lessor** shall not thereby unreasonably interfere with **Lessee's** business on the Leased Premises.

7. The **Lessor** hereby guarantees that he/she owns the leased premises and undertakes to be the sole party answerable to any claims of ownership which may arise from any party.

8. The **Lessor** further undertakes:-

- a. To carry out all necessary major repair and maintenance work to the lease premises (beyond the minor repair and maintenance and ensure that the facilities remain in good working condition at all times to the full satisfaction of the **Lessee**.
- b. To make sure that there is no water leakage to the roof of the warehouse and its adjacent areas. In case of such leakage and damage thereafter, the **Lessor** shall be liable.
- c. To ensure that the existing roof, plumbing, electrical, mechanical, including heating and ventilating systems and structural components Of the Premises are in proper working order and good repair from the Commencement Date to the expiry of the initial Term.
- d. To make the pathway clear so as to facilitate smooth loading and off loading of Trucks, Trailers, containers and other storage devices into the warehouse.
- e. To take all necessary security precautions to protect the whole yard, against loss by theft, vandalism or other damage.
- f. To allow the **Lessee** to hire its own security and install CCTV cameras for the protection of the warehouse.
- g. To permit the **Lessee** to place signage on the warehouse and may install identification signage on the door to the Premises.
- h. To provide and install power box access to the warehouse which can support a three phase electricity supply.
- i. To allow the **Lessee** to make all necessary changes to the warehouse for machines installation which might involve affixation at the cost of the **Lessee**.
- j. To allow the **Lessee**, to peacefully and quietly hold and enjoy the demised premises during the lease period without any interruption or disturbance from the **lessor** or any other person claiming under or in trust for him/het/it.

9. At the expiry of the initial period of the term of the lease, unless the lease is renewed within the last month prior to expiry of the contractual period, the **Lessee** shall hand over vacant possession to the **Lessor** and any extension thereof whether of a day or whatsoever the payment thereof shall be in monthly basis, the contracting parties are at liberty to renew this lease agreement for a further period at re-negotiated terms.

10. Either party may, at any time, terminate this Agreement by providing the other party with three months (ninety (90) days) prior written notice.

11. The **Lessor** and the **Lessee** mutually covenant and agree that whenever in this lease notice is required to be given by either the Landlord or the Tenant to the other, the same shall be in writing and, except as otherwise provided, be deemed to be sufficiently given if mailed postage prepaid and registered mail. Notice so given shall be deemed to have been received by the addressee on the fourth postal delivery day following the date on which it is so mailed.

Lessor:

P.O.Box: _____

Email: _____

Mobile/Tel: _____

Lessee:

P.O.Box: _____

Email: manager@kingrichest.com

Mobile/Tel: +86-1502936366, +255688847110 (Tony Yang)

12. This Agreement may only be amended and modified by the express written consent of both parties.

13. This Agreement, the information that it contains, and all information exchanged relating to it, including without limitation any pricing information, are confidential between the **Lessor** and the **Lessee**. Neither the **Lessor** nor the **Lessee** shall, without the other's written consent, disclose such information on any basis to any person other than its directors, officers, employees,

agents or professional advisers who need to know the same for the purposes of this Agreement and who shall be bound by the same obligation of secrecy.

14. This Agreement constitutes the entire agreement and understanding between the parties, and it supersedes and terminates any and all prior agreements or understandings between the parties, and may be modified and amended only by written agreement signed by both parties hereto

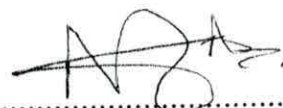
15. All matters arising from or in connection with this Agreement, its validity, existence or termination shall be determined in accordance with the laws of the united Republic of Tanzania.

16. Any dispute relating to its interpretation or enforcement shall be settled amicably within 14 business days, failure of which the same shall be referred to three arbitrators two of whom shall be appointed by each party and the umpire jointly appointed by the two arbitrators. The costs of arbitration shall be borne equally by both parties.

17. The contracting parties have executed this Lease Agreement on date and year hereinafter appearing.

IN WITNESSETH whereof the parties hereto have set their respective hands the day and year first above written.

SIGNED AND DELIVERED by the said MUHAMMAD
SALAH ABRI on behalf of S.T. ABRI)
LTD who is identified)
to me by TONY YANG the latter)
being known to me personally in my presence)
this 22nd day of AUGUST 2013.)



LESSOR

Name: LUKE GEORGE SEYALI

Signature: 

Postal Address: P. O BOX 3238

Qualification: ADVOCATE




SIGNED AND DELIVERED by the said Leban Liu)
)
..... on Behalf of)
)
LOTUS STEEL (TANZANIA) LIMITED who is identified)
to me by TONY YANG..... the latter)
)
being known to me personally in my presence)
this 22nd day of AUGUST, 2013.)



.....
LESSEE

Name: LUKE GEORGE SEYANI

Signature: 

Postal Address: P. O BOX

Qualification: ADVOCATE



Drawn by:
ABC ATTORNEYS,
NBC BUILDING MNAZI MMOJA BR,
2ND FLOOR, JAMHURI STREET,
P.O BOX 3233,
DAR ES SALAAM.
TANZANIA (EA)
Email: abcattorneys@gmail.com



TANZANIA REVENUE AUTHORITY

No: ...08/11.....

CERTIFICATE/REMITTANCE SLIP IN RESPECT OF WITHHOLDING TAX ON SERVICE FEES

Name of TAXPAYER/WITHHOLDER LOTAI STEEL (TANZANIA) LTD.

TIN: [] [] [] [] [] [] [] [] [] []

Name of WITHHOLDEE.....

TIN: 100 [] [] [] 112 [] [] 590

I hereby certify that, I have this date of 27th Month of AUGUST 2013 deducted prior to payment of Service Fees in favour of the Commissioner of Domestic Revenue Department/Large Taxpayers Department withheld from the above named person as follows:

Gross Amount in USD 36,000 TZS 58,320,000/-

Tax withheld at 10 % USD 3600 TZS 5,832,000/-

This payment is for the period covered from 01-10-2013 to 30-09-2014.

I further certify that the above withholding Tax has been REMITTED to the Regional Manager

in the monthly schedule of AUGUST 2013.

Name: Lebac hii Designation: Director

Signature [Signature]

Date

Name: MUHAMMAD S. ABRI Designation: DIRECTOR

Countersignature (withholdee)

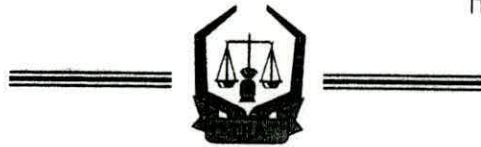
Date

Official Stamp

S. T. ABRI LTD.
P.O. Box 41073
DAR ES SALAAM
MANDELA ROAD
TEL: 2807908 FAX: 2170623

To be completed in triplicate:

- (1) Original to Customer
- (2) Duplicate to TRA Office
- (3) Triplicate - Retained by withholder



TANZANIA REVENUE AUTHORITY

DEPARTMENT

PAYMENT NOTICE AND DEPOSIT SLIP

02668875 /12-13

PART 1: TAX PAYMENT NOTICE

1. Taxpayer Name and Address:

S.T. ABRI LTD.
Box 41073 DSM

2. TIN:

1 0 0 6 6 7 6 1 4

4. Tax Region

TEMERE

3. Tax Debit No.

5. Total Tax Payment TZS

11,664,000

6. Type of Tax

WITHHOLDING TAX

GFS CODE	Amount	Tax Period	GFS CODE	Amount	Tax Period
131000	11,664,000	-			

PART 2: TAX PAYMENT DEPOSIT SLIP

7. Name of Bank

BOA TANZANIA

Branch

AIRPORT

8. Payment

Cash:

Denomination

Amount (TZS)

Cents

Notes: 10000/-x

5000/-x

2000/-x

1000/-x

500/-x

Coins 200/-x

100/-x

50/-x

20/-x

10/-x

5/-x

Total Cash TZS

Date
Tellers Stamp and
Signature
AUG 2013

Cheques:

Cheque Number

Drawer's Name

Bank and Branch

TZS

Cents

TOTAL CHEQUES

GRAND TOTAL

11,664,000

9. Amount in words

ELEVEN MILLION SIX HUNDRED SIXTYFOUR THOUSAND ONLY

10. Taxpayer's Signature

[Signature]

Date

S. T. ABRI LTD.
P.O. Box 41073
DAR ES SALAM
MANDELA ROAD
TEL: 2807908 FAX: 2150633

DETAILS OF PAYMENT OF TAX WITHHELD

Name of Entity: S. T. ABRI LTD

TIN: 100 667 614

Nature of payment: WITHHOLDING TAX RENT

Date of declaration:

SI/No.	NAME OF WITHHOLDEE / POSTAL ADDRESS	TIN	SHAREHOLDING AT DATE OF PAYMENT (TZS)	GROSS AMOUNT PAYABLE (TZS)	AMOUNT OF TAX DEDUCTED (TZS)	NET PAID (TZS)
1	TAIKOS GLOBAL MART GANZANA LTD	-	TAX INVOICE 436	58,320,000	5,832,000	5,832,000
2	LOTAL STEEL (S) LTD	-	TAX INVOICE No. 437	58,320,000	5,832,000	5,832,000
TOTAL				116,640,000	11,664,000	11,664,000

LOTAI STEEL (TANZANIA) LIMITED

P.O Box 33772

Dar es Salaam

**Proposed Establishment of a facility
to Manufacture Building Materials**

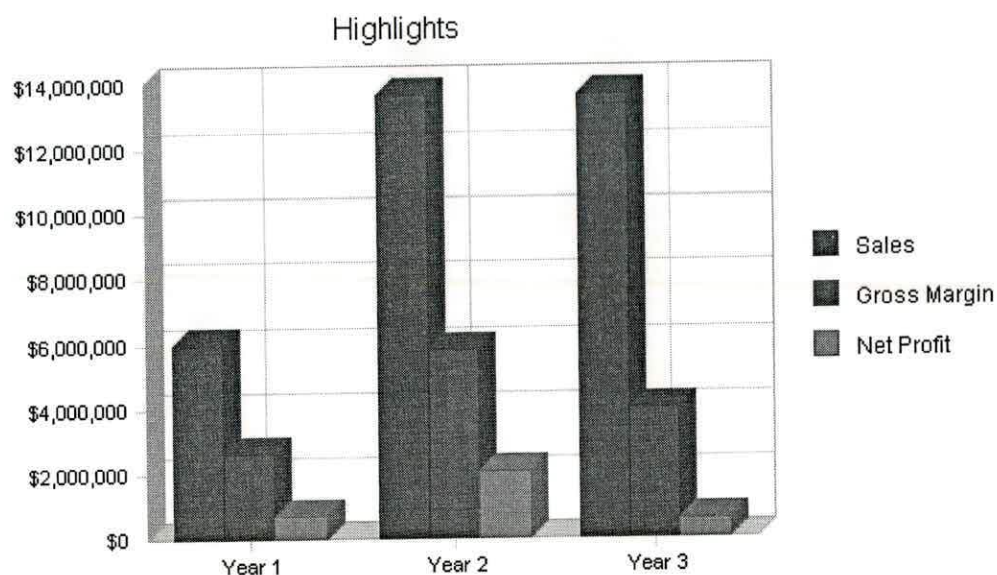
(Metal Roof Tile)

Executive Summary

Lotai Steel Investment is a start-up manufacturing company which intends to produce patented products that will revolutionize the building industry. Lotai Steel will be the exclusive manufacturer of expandable three layers adiabatic Metal roof tile (EPS adiabatic Metal roof tile) in the United Republic of Tanzania, and will be protected by a licensing agreement with the inventor of the EPS adiabatic Metal roof tile Products.

Lotai Steel is headed by Zhijian Gao, who has direct knowledge of the industry and extensive research experience. Zhijian Gao has been associated with the EPS industry for forty years, and has seen many developments in the, construction, and automotive manufacturing industries. There has been a need for new product innovation in the construction industry for a long time. This is what prompted him to develop an EPS roof tile that can be manufactured in any color desired, and is price competitive. Using the same technology, he also developed the EPS exterior panel. Both products have the molded, textured look of stucco.

Lotai Steel manufactures EPS roof tiles and exterior EPS structural wall panels. These products are called EPS Plate Products (EPS Plate). Both products are supported by two United Republic of Tanzania patents.



1.1 Mission

Lotai Steel strives to be the majority provider of this breakthrough product. We intend to accomplish this through a strict quality-control program, timely deliveries, and competitive pricing.

1.2 Keys to Success

- Lotai Steel will develop EPS roof tiles and EPS structural exterior panels.
- Lotai Steel is the exclusive manufacturer in the Tanzania Market. and is protected by a licensing agreement with the inventor who is the owner of the company.
- The company will control its production line to assure that quality is met.

2.0 Company Summary

Lotai Steel is a start-up manufacturing company with patented products that will revolutionize the building industry. It is the exclusive manufacturer in the Tanzania Market. and is protected by a licensing agreement with the inventor of the EPS Plate products, Zhijian Gao.

The company boasts many features which directly lead to it being the premier manufacturer of EPS materials in the United Republic of Tanzania. The following subtopics outline the some features of Lotai Steel: its locations, a description of what it will take to get the company up and running, and other elementary aspects of the company.

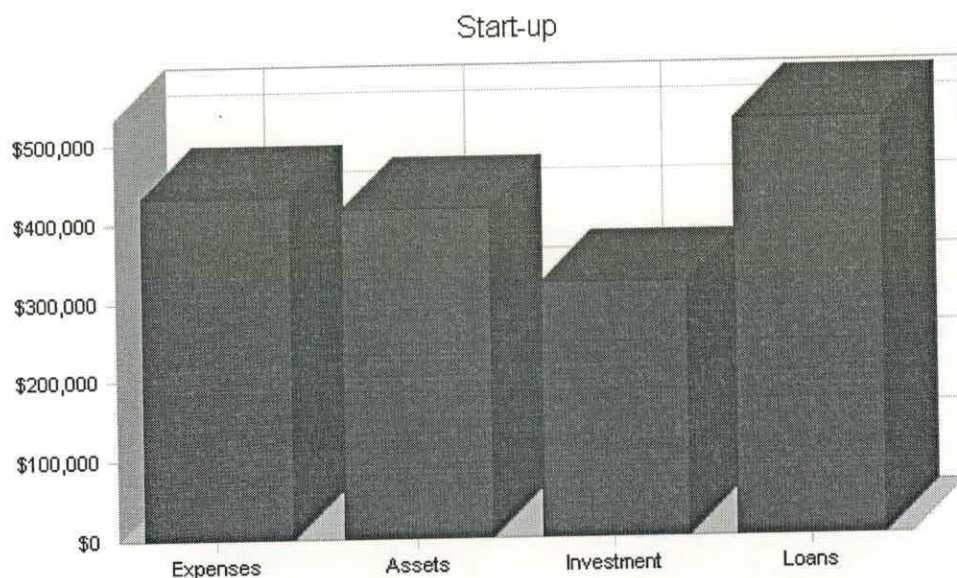
2.1 Company Ownership

Lotai Steel was founded in Tanzania on 20th August, 2013 by Zhijian Gao. Lotai Steel is Tanzanian, with principal offices located on Warehouse No. 1 Plot No. 249 Mandela Road Ilala Dar es salaam.

2.2 Start-up Summary

The company is seeking first round financing for the purpose of acquiring starting inventory of raw materials, purchasing land, building construction, utility hook-up and site improvement,

machinery and equipment, working capital, legal and accounting costs, and miscellaneous start-up expenses. Additionally, the company will seek second round financing for fourth year, Phase II operations. Projected revenues will double during the 2014 to 2017 period.



Start-up Requirements	
Start-up Expenses	
Legal	\$50,000
Building construction/Site improvement	\$200,000
Accounting	\$20,000
Insurance	\$100,000
Rent	\$56,000
Research and development	\$0
Utility hookup	\$1,000
Other	\$5,000
Total Start-up Expenses	\$432,000
Start-up Assets	

Cash Required	\$35,000
Start-up Inventory	\$80,000
Other Current Assets	\$0
Long-term Assets	\$300,000
Total Assets	\$415,000
Total Requirements	\$847,000

Start-up Funding	
Start-up Expenses to Fund	\$432,000
Start-up Assets to Fund	\$415,000
Total Funding Required	\$847,000
Assets	
Non-cash Assets from Start-up	\$380,000
Cash Requirements from Start-up	\$35,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$35,000
Total Assets	\$415,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$50,000
Long-term Liabilities	\$476,000
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$526,000
Capital	
Planned Investment	
Mr Hu Lizhen	\$70,000
Mr. Xu Zhikan	\$38,000
Other Investors	\$213,000
Additional Investment Requirement	\$0
Total Planned Investment	\$321,000
Loss at Start-up (Start-up Expenses)	(\$432,000)

Total Capital	(\$111,000)
Total Capital and Liabilities	\$415,000
Total Funding	\$847,000

2.3 Company Locations and Facilities

The location of the first operating plant is planned for on Warehouse No. 1 Plot No. 249 Mandela Road Ilala Dar es salaam. This location was chosen because of its proximity to both road and rail transportation. The area has been designated by the state as an Enterprise Zone, thus offering us benefits and incentives to set up our operation.

3.0 Products

Lotai Steel has pioneered EPS roof tiles and EPS structural exterior panels. Both products have a molded texture look of stucco and are fire retardant. EPS Plate will replace many systems now used in the construction industry. EPS Plate EPS roof tiles and panels are lightweight and very energy efficient. The selling price of EPS Plate EPS roof tiles and EPS exterior structural panels is competitive with any other top quality building material.

EPS panels can be manufactured from 1/4" to 3" thick and can be marketed from \$3.00 per square foot. EPS Plate roof tiles are priced at \$450.00 per square. A square equals a section of roofing 10 feet by 10 feet. This selling price includes the finishing pieces. EPS Plate Products have the molded texture look of stucco and can be manufactured in any color; both are fire retardant and meet all construction codes, and offer a finished product with any desired features.

3.1 Product Description

Product #1 - EPS Plate roof tile.

Advantages:

- EPS Plate roof tiles can be manufactured in the traditional flat or curved style.
- Molded texture color impregnated gel coat used.

- core material used.
- Roof tiles weigh approximately 270 lb. per square.
- Any style can be manufactured for qualified projects.
- Multi-color tiles will be available.
- EPS Plate roof tiles are fire retardant.

Product #2 - EPS Plate panels.

Advantages:

- The panels will enhance the esthetics of your property for years to come.
- They can be ordered in any color.
- They will be manufactured in various sizes for qualified projects.
- The panels are energy efficient.

3.2 Competitive Comparison

Lotai Steel will primarily target the construction industry, and is looking to build alliances with industry leaders. Because of its exclusive status as the only company to manufacture these EPS products, the competition is constantly held at bay by Lotai Steel. We expect success; due to past marketing, we have evidence that Lotai Steel will be met with fervor in this lasting industry.

4.0 Market Analysis Summary

The industry of roofing, siding, and installation is a large one. Total annual sales in this industry amount to approximately \$11 million and are projected to remain steady, if not increase. One reason for the prosperity of this industry is because there is such a large market. The company is primarily targeting the construction industry, where sales total \$124,953 million annually.

Market Size Statistics

Estimated number of TANZANIA MARKET establishments	3,245
Number of people employed in this industry	35,179
Total annual sales in the industry	\$11 million
Average employees per establishment	11
Average sales per establishment	\$5.6 million

4.1 Market Segmentation

The roofing and siding industry is only a part of the overall construction industry, which includes contractors that perform almost any function of housing creation and alteration. Therefore, an accurate estimate of nationwide demand for Lotai Steel's products would include the entire construction industry. This is broken up into the following segments:

Market size statistics--Single-family housing construction

General contractors primarily engaged in construction (including new work, additions, alterations, remodeling, and repair) of single-family houses.

Estimated number of TANZANIA MARKET establishments	2,182,776
Number of people employed in this industry	831,158
Total annual sales in this industry	\$125 million
Average employees per establishment	4
Average sales per establishment	\$.6 million

This segment is comprised of companies that are involved in the smallest housing projects. However, the sheer size of the segment means that this will be the segment providing the majority of sales to Lotai Steel.

Market size statistics--Residential construction,

General contractors primarily engaged in construction (including new work additions, alterations, remodeling, and repair) of residential buildings other than single-family houses. This includes hotels, motels, apartments, and multi-family homes.

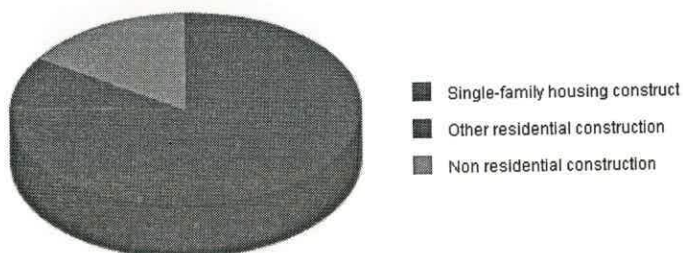
Estimated number of TANZANIA MARKET. establishments	25,201
Number of people employed in this industry	114,523
Total annual sales in this industry	\$25 million
Average employees per establishment	5
Average sales per establishment	\$1.1 million

Market size statistics--Nonresidential construction

General contractors primarily engaged in the construction (including new work additions, alterations, remodeling, and repair) of nonresidential buildings other than industrial buildings and warehouses. This includes commercial, institutional, religious, and amusement and recreational buildings.

Estimated number of TANZANIA MARKET. establishments	44,505
Number of people employed in this industry	540,550
Total annual sales in this industry	\$205 million
Average employees per establishment	12
Average sales per establishment	\$4.9 million

Market Analysis (Pie)



Market Analysis		Year 1	Year 2	Year 3	Year 4	Year 5	CAGR
Potential Customers	Growth						
Single-family housing construction	4%	218,276	227,007	236,087	245,530	255,351	4.00%
Other residential construction	3%	25,201	25,957	26,736	27,538	28,364	3.00%
Non residential construction	2%	44,505	45,395	46,303	47,229	48,174	2.00%
Total	3.61%	287,982	298,359	309,126	320,297	331,889	3.61%

4.2 Target Market Segment Strategy

The company is primarily targeting the construction industry, which are establishments primarily engaged in the wholesale distribution of roofing, siding (except wood), and insulation materials. Residential and commercial construction projects are at an all-time high and will continue to increase for years to come. It is important to realize that we have a very unique and much-needed product. The standard materials available are asphalt shingles, organic shingles, fibered cement shingles, metal roofing, clay tiles, concrete tiles, slate tiles, cedar shingles, recycled tile roofing, and solar shingles.

Our product is entirely new, and we are introducing it into this industry: EPS architectural roof tiles, (EPS Plate). The average costs of the above products vary. While EPS Plate is more expensive, it also offers an insulation factor that all other products do not incorporate. This effectively reduces costs for separate insulation products.

4.3 Industry Analysis

Market Analysis by Specialty (8-digit SIC Code)

SIC Code	SIC Description	No Bus.	% Total	Total Emps.	Total Sales	Avg. Emps.	Avg. Sales
5033-0000	Roofing, siding, and insulation	1,012	31.2	11,012	\$3,058	11	5.8
5033-0100	Roofing and siding materials	731	22.5	8,326	\$3,834	12	8.2
5033-0101	Asphalt felts and coating	51	1.6	534	\$36.90	10	1.1

5033-0102	Felts, tarred	1	0	5	\$0.90	5	0.9
5033-0103	Roofing, asphalt and sheet metal	402	12.4	4,648	\$1,655	12	7.5
5033-0104	Shingles, except wood	10	0.3	132	\$29	13	3.2
5033-0105	Siding, except wood	329	10.1	2,775	\$647	8	3.3
5033-0200	Insulation materials	379	11.7	2,789	\$814	8	3
5033-0201	EPS building materials	104	3.2	2,656	\$118.50	27	2.2
5033-0202	Insulation, thermal	220	6.8	2,247	\$438	10	3.7
5033-0203	Mineral wool insulation materials	6	0.2	55	\$3	9	0.7
	Total/Average	3,245	100	35,179	\$10,637	11	5.6

Note: Not all establishments have a specialty. Sales figures are in millions.

4.3.1 Competition and Buying Patterns

EPS Plate Products will be marketed initially in the Southern region of the United Republic of Tanzania. This selling area will utilize our entire production capability. The construction industry is on the move and we intend to have our percentage of this long lasting industry. Our past marketing shows a place for EPS Plate and also shows a tremendous demand for these products. Both products are in the completed development stage and are ready for manufacturing.

5.0 Strategy and Implementation Summary

The company's overall strategy is based on a continuous improvement process of setting objectives, measuring results, and utilizing feedback to facilitate further growth and progress.

The company plans to rapidly develop marketing alliances with industry leaders and pursue new sales of its services to residential and commercial builders. The market strategy is to capitalize on Lotai Steel's alliances by securing city, parish, state, and government contracts.

5.1 Competitive Edge

Having both EPS Plate installed offers the user an energy efficient system that will not fail. EPS Plate Products are a true EPS system that meets the demands of today's architectural designs and will continue to provide these desired features in the future. EPS is a non-deteriorating material and all resins used are of the highest marine quality and are formulated to meet the required standard of EPS Plate.

EPS Plate roof tiles can be manufactured in the traditional design look of the curved Spanish terra cotta and the flat roof tile. Any design may be used incorporating the core material. The exterior flat panels incorporating the molded look of stucco will be manufactured in various sizes.

Some of the outstanding features of EPS Plate that have become necessary in the construction industry include:

- By conserving heat/cold within a structure, the panels are energy efficient.
- The panels are lightweight and easy to install.
- The product is cost effective because it services the need as well.
- They will not corrode and therefore require little maintenance.
- Guaranteed to be 100% waterproof.
- All EPS Plate products are fire retardant.
- The product is removed from the mold with a stucco look and texture.
- The EPS exterior panels may be installed below grade.

The most important feature is the stability of EPS Plate Products. In terms of manufacturing, EPS Plate Products can be compared to a marine manufacturing process. All raw materials used meet the marine industry standard, and are built with the weight of water pressure in mind. The panels are durable, rugged, and meant to withstand many pounds of pressure.

Quality control is very important. Keeping this in mind, we will control our production lines to assure that quality is met. All orders will be produced in a time frame as specified by the production manager.

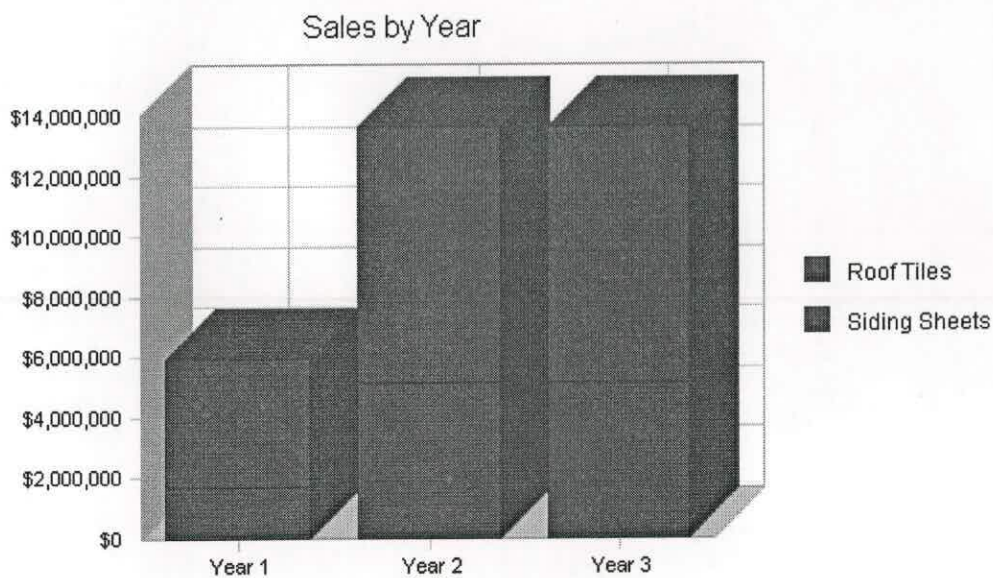
5.2 Sales Strategy

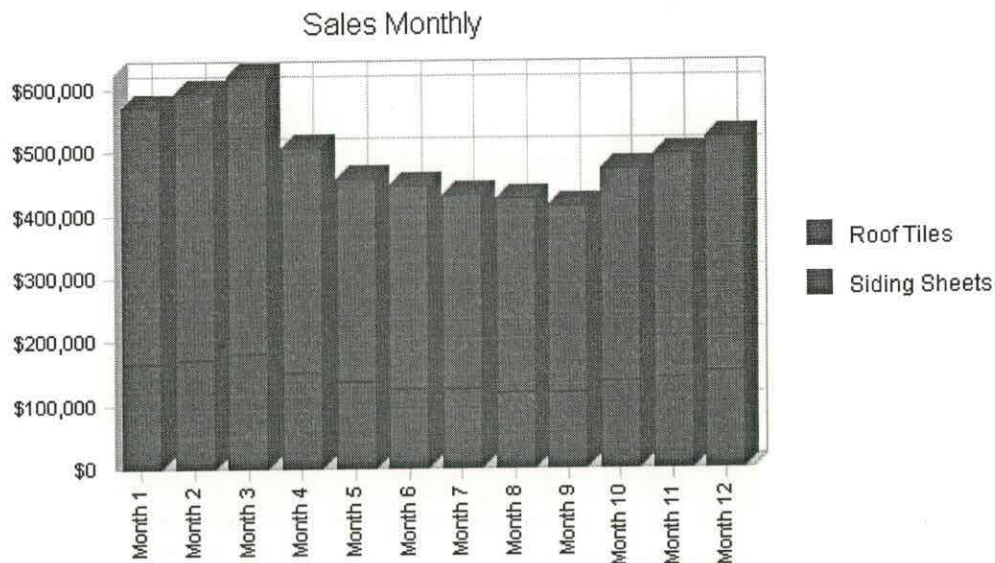
Our sales program is as follows:

- Create contacts with residential and commercial contractors.
- Contact developers of residential and commercial properties.
- Contact and training for new "company approved" warranty installer contractors for EPS Plate Products.
- Special advertising efforts will be implemented on the Internet.
- Set up advertising for local and national programs.
- Participate at national and regional trade shows.
- Employment of company sales representatives.
- Contact major architectural firms.

5.2.1 Sales Forecast

The following chart and table outline our sales forecast.





Sales Forecast			
	Year 1	Year 2	Year 3
Sales			
Roof Tiles	\$1,728,000	\$5,184,000	\$5,184,000
Siding Sheets	\$4,224,000	\$8,449,000	\$8,449,000
Total Sales	\$5,952,000	\$13,633,000	\$13,633,000
Direct Cost of Sales			
	Year 1	Year 2	Year 3
Roof Tiles	\$966,177	\$2,966,995	\$2,896,436
Siding Sheets	\$2,361,765	\$4,835,675	\$4,720,676
Subtotal Direct Cost of Sales	\$3,327,942	\$7,802,670	\$7,617,112

5.3 Strategic Alliances

The company plans to rapidly develop marketing alliances with industry leaders and pursue new sales of its services to residential and commercial builders.

5.4 Promotion

Lotai Steel advertises in the yellow pages, newspapers, radio, and billboards throughout the state. Lotai Steel will also gain considerable recognition through these additional promotional mediums:

- Caps and T-shirts.
- Signs
- Word of mouth.
- Incentives:

As an extra incentive for customers and potential customers to remember Lotai Steel's name, the company plans to distribute coffee mugs, T-shirts, pens, and other advertising specialties with the company logo.

- Brochures:

The objective of a brochure is to portray Lotai Steel's goals and products as an attractive functionality. It is also to show customers how to use the latest in technology as it relates to construction and building services.

- Investment in Advertising and Promotion:

A fixed amount of sales revenues will go toward the state-wide Lotai Steel advertisement campaign. On an ongoing basis, Lotai Steel feels that it can budget advertising expenses at less than ten percent of revenues.

6.0 Management Summary

The company's management is highly experienced and qualified, with seasoned investors. The company strives to hire qualified people who take pride in their work. The company's management philosophy is based on responsibility and mutual respect. Lotai Steel maintains an environment and structure that encourages productivity and respect for customers and fellow employees.

The following subtopics outline both the management team, and its team of employees.

Lotai Steel's management is highly experienced and qualified. Its key management team includes:

- Mr. Hu Lizhen, president and CEO. Zhijian Gao is a building consultant and specializes in product development and marketing. During the past two decades, Zhijian Gao has been contracted to design and manufacture a wide range of EPS products, from EPS housing for water treatment to designing and manufacturing a planter system.
- Mr Lebao Liu, vice president has held several management positions with various companies in the real estate industry. She has also been involved in rental management and rental sales. She holds real estate salesman and broker licenses, and a community association manager's license.

6.1 Personnel Plan

Lotai Steel is responsible to its employees, the men and women who work with the company throughout the state. At Lotai Steel everyone is considered as an individual, the company respects their dignity and recognizes their merit. Employees are encouraged to have a sense of security and pride in their jobs. Additionally, employees are free to make suggestions and complaints. The company affords equal opportunity for employment, development, and advancement for those qualified.

Personnel Plan			
	Year 1	Year 2	Year 3
General Manager	\$60,000	\$60,000	\$73,334
Production Manager	\$60,000	\$60,000	\$73,333
Office Manager	\$60,000	\$60,000	\$73,333
Safety Manager	\$60,000	\$60,000	\$60,000
Distribution & Inventory manager	\$60,000	\$60,000	\$60,000
Sales and Marketing Coordinator	\$0	\$40,000	\$60,000
Product developer	\$0	\$40,000	\$60,000
Sales Rep	\$0	\$0	\$35,000
Finance & accounting analyst	\$0	\$0	\$50,000
Other	\$0	\$0	\$0
Total People	20	40	66

7.0 Financial Plan

Funding Requirements and Uses:

The company is seeking first round financing for the purpose of acquiring starting inventory of raw materials, purchasing land, building construction, utility hook-up and site improvement, machinery and equipment, working capital, legal and accounting, and miscellaneous start-up expenses. The company will require additional investment or loans for Phase II, set to begin during the fourth year of operation.

Project Financing

Foreign Equity	Foreign Loan	Total
\$432,000	\$415,000	\$847,000

Investment Breakdown

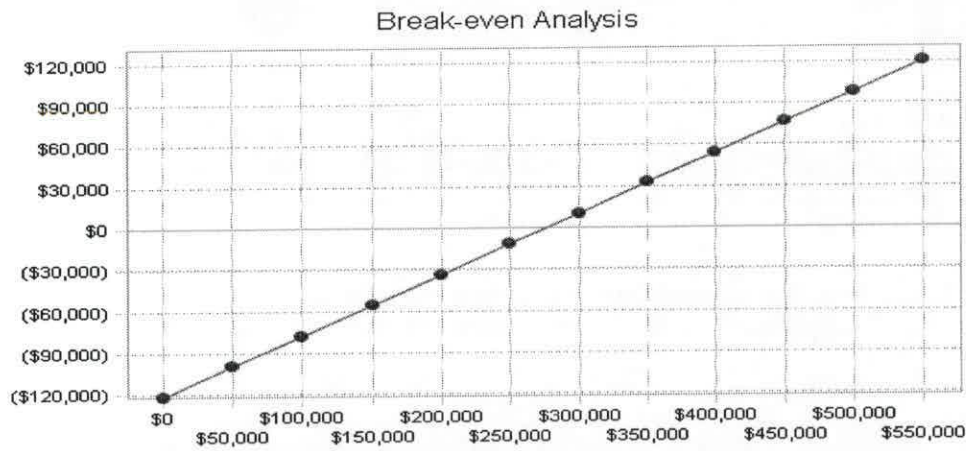
Item	Cost
Land/Building	\$ 65,000
Plant	\$ 650,000
Vehicles	\$ 52,000
Furniture & Fittings	\$ 46,000
Pre-Expenses	\$ 34,000
Others	
Working Capital	
Total	\$ 847,000

7.1 Important Assumptions

The following table outlines important assumptions for Lotai Steel.

General Assumptions			
	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	10.00%	10.00%	10.00%
Long-term Interest Rate	10.00%	10.00%	10.00%
Tax Rate	39.17%	40.00%	39.17%
Other	0	0	0

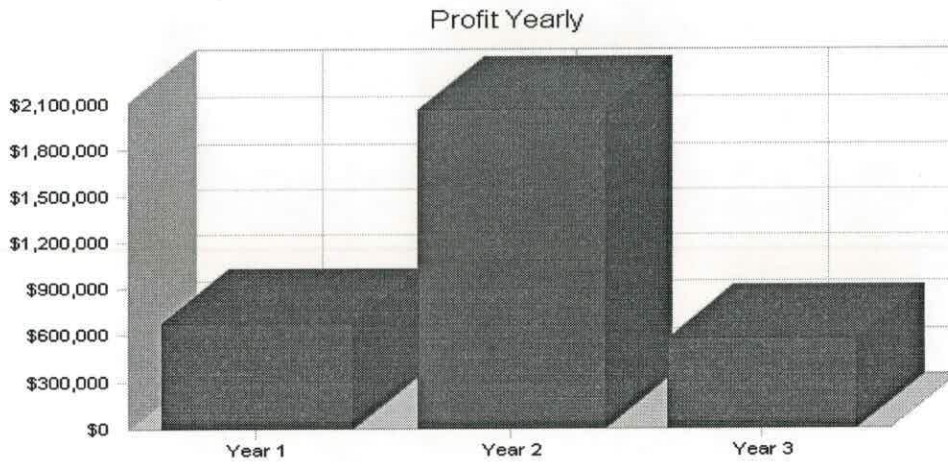
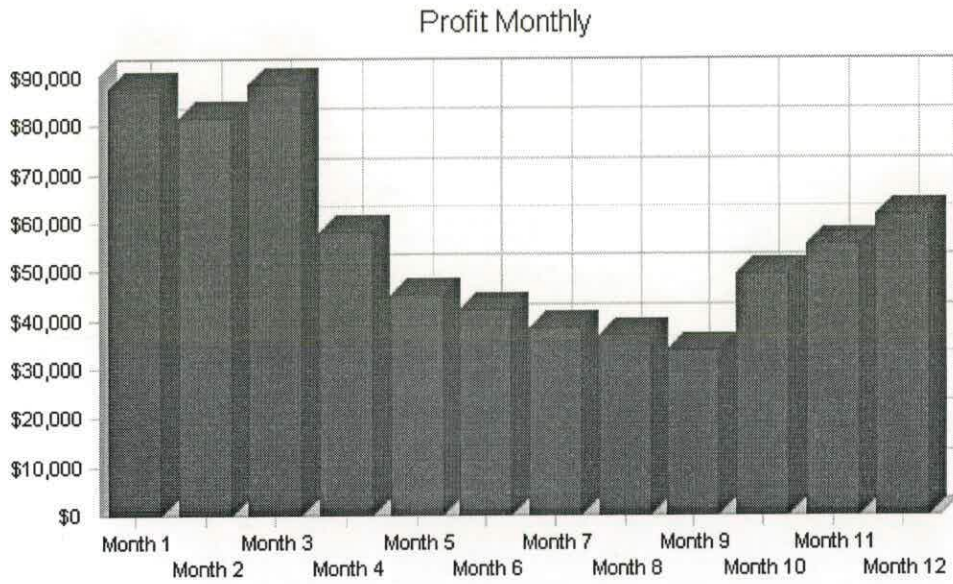
7.2 Break-even Analysis



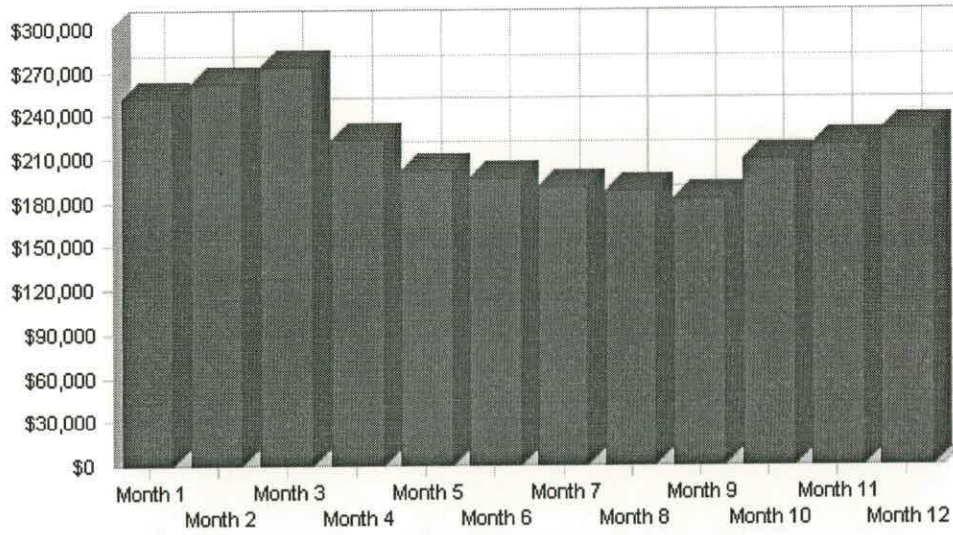
Break-even Analysis	
Monthly Revenue Break-even	\$275,977
Assumptions:	
Average Percent Variable Cost	56%
Estimated Monthly Fixed Cost	\$121,670

7.3 Projected Profit and Loss

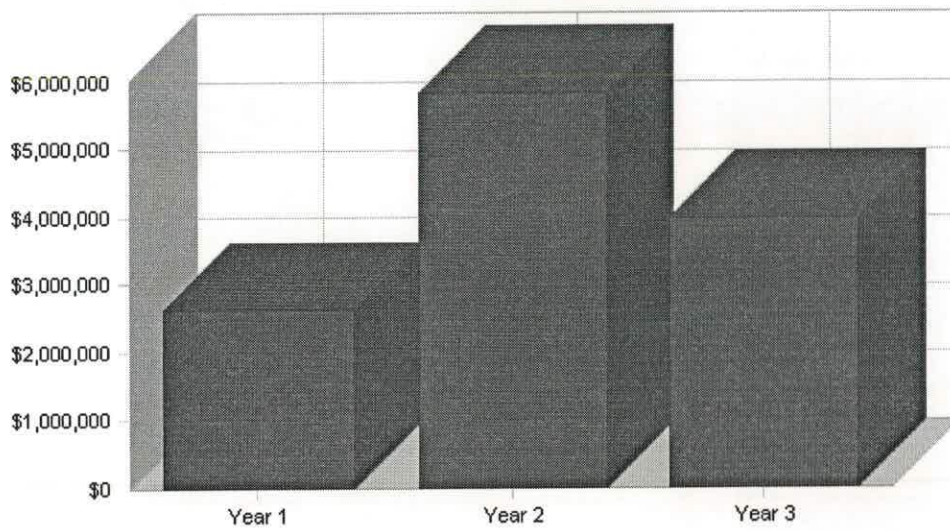
The following table presents year-end profit and loss projections for Lotai Steel. For a monthly analysis, please see the appendix at the end of the plan.



Gross Margin Monthly



Gross Margin Yearly

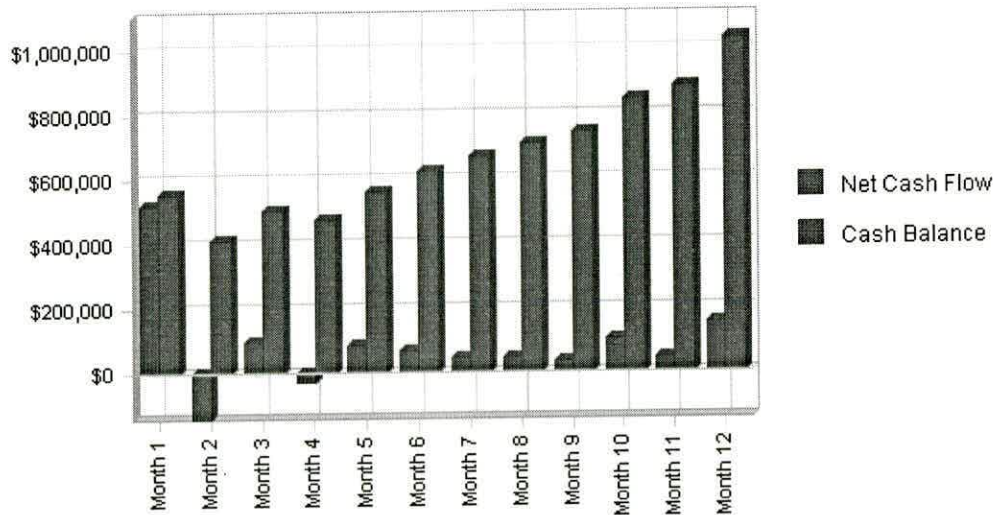


Profit and Loss Statement			
	Year 1	Year 2	Year 3
Sales	\$5,952,000	\$13,633,000	\$13,633,000
Direct Cost of Sales	\$3,327,942	\$7,802,670	\$7,617,112
Royalties	\$0	\$0	\$2,044,800
Total Cost of Sales	\$3,327,942	\$7,802,670	\$9,661,912
Gross Margin	\$2,624,058	\$5,830,330	\$3,971,088
Gross Margin %	44.09%	42.77%	29.13%
Expenses			
Payroll	\$300,000	\$380,000	\$545,000
Sales and Marketing and Other Expenses	\$857,541	\$1,371,697	\$1,605,710
Depreciation	\$55,000	\$55,000	\$55,000
Leased Equipment	\$15,000	\$16,500	\$18,150
Utilities	\$50,000	\$157,000	\$180,550
Insurance	\$109,500	\$257,200	\$422,920
Rent	\$28,000	\$35,000	\$36,750
Payroll Taxes	\$45,000	\$57,000	\$81,750
Other	\$0	\$0	\$0
Total Operating Expenses	\$1,460,041	\$2,329,397	\$2,945,830
Profit Before Interest and Taxes	\$1,164,017	\$3,500,933	\$1,025,258
EBITDA	\$1,219,017	\$3,555,933	\$1,080,258
Interest Expense	\$53,413	\$68,990	\$82,250
Taxes Incurred	\$431,700	\$1,372,777	\$369,345
Net Profit	\$678,904	\$2,059,166	\$573,663
Net Profit/Sales	11.41%	15.10%	4.21%

7.4 Projected Cash Flow

The cash flow projections for Lotai Steel are outlined in the following table and chart.

Cash



Cash Flow Statement			
	Year 1	Year 2	Year 3
Cash Received			
Cash from Operations			
Cash Sales	\$5,952,000	\$13,633,000	\$13,633,000
Cash from Receivables	\$0	\$0	\$0
Subtotal Cash from Operations	\$5,952,000	\$13,633,000	\$13,633,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$0	\$0	\$0
New Current Borrowing	\$50,000	\$85,000	\$85,000
New Other Liabilities (interest-free)	\$0	\$0	\$0
New Long-term Liabilities	\$47,600	\$47,600	\$47,600
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$6,049,600	\$13,765,600	\$13,765,600
Expenditures			
	Year 1	Year 2	Year 3
Expenditures from Operations			

Cash Spending	\$300,000	\$380,000	\$545,000
Bill Payments	\$4,728,411	\$11,048,606	\$12,369,809
Subtotal Spent on Operations	\$5,028,411	\$11,428,606	\$12,914,809
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$17,000	\$17,000	\$17,000
Subtotal Cash Spent	\$5,045,411	\$11,445,606	\$12,931,809
Net Cash Flow	\$1,004,189	\$2,319,994	\$833,791
Cash Balance	\$1,039,189	\$3,359,183	\$4,192,973

7.5 Projected Balance Sheet

The table below shows our projected balance sheet for three years. Monthly figures for the first year are included in the appendices.

Balance Sheet Statement			
	Year 1	Year 2	Year 3
Assets			
Current Assets			
Cash	\$1,039,189	\$3,359,183	\$4,192,973
Accounts Receivable	\$0	\$0	\$0
Inventory	\$320,314	\$751,007	\$733,147
Other Current Assets	\$0	\$0	\$0
Total Current Assets	\$1,359,503	\$4,110,190	\$4,926,120
Long-term Assets			
Long-term Assets	\$300,000	\$300,000	\$300,000
Accumulated Depreciation	\$55,000	\$110,000	\$165,000

		\$190,000	\$135,000
	\$245,000	\$4,300,190	\$5,061,120
	Year 1	Year 2	Year 3
Total Long-term Assets			
Total Assets			
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$429,999	\$950,920	\$1,022,587
Current Borrowing	\$100,000	\$185,000	\$270,000
Other Current Liabilities	\$0	\$0	\$0
Subtotal Current Liabilities	\$529,999	\$1,135,920	\$1,292,587
Long-term Liabilities	\$523,600	\$571,200	\$618,800
Total Liabilities	\$1,053,599	\$1,707,120	\$1,911,387
Paid-in Capital	\$321,000	\$321,000	\$321,000
Retained Earnings	(\$449,000)	\$212,904	\$2,255,070
Earnings	\$678,904	\$2,059,166	\$573,663
Total Capital	\$550,904	\$2,593,070	\$3,149,733
Total Liabilities and Capital	\$1,604,503	\$4,300,190	\$5,061,120
Net Worth	\$550,904	\$2,593,070	\$3,149,733

7.6 Business Ratios

The following table outlines important ratios from the roofing, siding and insulation industry, as determined by the Standard Industry Classification (SIC) Index #5033, Roofing, Siding, and Insulation.

Ratio Analysis				Industry
	Year 1	Year 2	Year 3	Profile
Sales Growth	0.00%	129.05%	0.00%	14.50%
Percent of Total Assets				
Accounts Receivable	0.00%	0.00%	0.00%	29.10%
Inventory	19.96%	17.46%	14.49%	26.30%
Other Current Assets	0.00%	0.00%	0.00%	25.10%
Total Current Assets	84.73%	95.58%	97.33%	80.50%

Long-term Assets	15.27%	4.42%	2.67%	19.50%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	33.03%	26.42%	25.54%	46.10%
Long-term Liabilities	32.63%	13.28%	12.23%	11.10%
Total Liabilities	65.67%	39.70%	37.77%	57.20%
Net Worth	34.33%	60.30%	62.23%	42.80%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	44.09%	42.77%	29.13%	17.60%
Selling, General & Administrative Expenses	32.89%	27.66%	24.98%	9.60%
Advertising Expenses	4.26%	2.28%	2.75%	0.20%
Profit Before Interest and Taxes	19.56%	25.68%	7.52%	2.00%
Main Ratios				
Current	2.57	3.62	3.81	1.58
Quick	1.96	2.96	3.24	0.86
Total Debt to Total Assets	65.67%	39.70%	37.77%	57.20%
Pre-tax Return on Net Worth	201.60%	132.35%	29.94%	5.50%
Pre-tax Return on Assets	69.22%	79.81%	18.63%	12.80%
Additional Ratios	Year 1	Year 2	Year 3	
Net Profit Margin	11.41%	15.10%	4.21%	n.a
Return on Equity	123.23%	79.41%	18.21%	n.a
Activity Ratios				
Accounts Receivable Turnover	0	0	0	n.a
Collection Days	0	0	0	n.a
Inventory Turnover	10.91	14.57	10.26	n.a
Accounts Payable Turnover	12	12.17	12.17	n.a
Payment Days	27	22	29	n.a
Total Asset Turnover	3.71	3.17	2.69	n.a
Debt Ratios				
Debt to Net Worth	1.91	0.66	0.61	n.a
Current Liab. to Liab.	0.5	0.67	0.68	n.a
Liquidity Ratios				
Net Working Capital	\$829,504	\$2,974,270	\$3,633,533	n.a

Interest Coverage	21.79	50.75	12.47	n.a
Additional Ratios				
Assets to Sales	0.27	0.32	0.37	n.a
Current Debt/Total Assets	33%	26%	26%	n.a
Acid Test	1.96	2.96	3.24	n.a
Sales/Net Worth	10.8	5.26	4.33	n.a
Dividend Payout	0.03	0.01	0.03	n.a

8.0 Conclusion and Recommendations

Analysis of viability of the proposal of setting up a facility to Manufacture building materials products by Lotai Steels shows that the proposal is economically and financial viable. The obvious economic and social benefits of the project are among others

- i. Contribute to the Government revenue in terms of tax payments and foreign exchange and other levies
- ii. Employment generation to Tanzanians

It is therefore recommended that TIC provide the project with certificate of incentives in order to enable timely implementation of the project under the Tanzania Investment Act.



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 Zhijian Gao
(director/directors/agent of Hofai Steel (T) Ltd
(name of business enterprise) apply for registration of
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

Copies of the following documents are attached to this application:

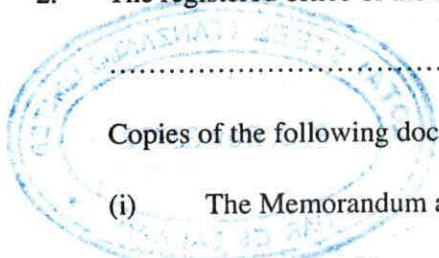
- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence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

3. The Head Office of the Company will be situated at Warehouse No 1, Plot No 249
Mandela Rd, Itela

4. The Principal Officers of the Company are Zhijian Gao

5. Auditors of the Company are

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



7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 847,000

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

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$ 100.00 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, Zhijian Gao of Post Office Number 33772

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

authorized agent of Lotai Steel (Tanzania) Ltd

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

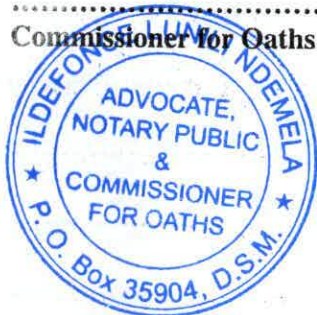
Declared at Dar es Salaam }
.....

The 3rd day of September 20..... }



Before me:

[Signature]
.....
Commissioner for Oaths



Attach only where applicable, otherwise indicate "N/A"

APPLICATION SUMMARY

Company Name: LOTAL STEEL (TANZANIA) LTD

Certificate of Incorporation Number: 101708 Status:

Certificate of Incorporation Date: 20/08/2013

Post Box: 33772

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: BUILDING MATERIALS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan

847,000

Project Objectives: IRON ROOFING MATERIALS PROJECT

Capacity:

Employment: Foreign: 5 Local: 50 Total: 55

Implementation Period:

Project Location

Site/Plot/Block No.: Warehouse NO 1 PLOT NO. 249

Street: MANDELA RD District: ILALA Region: DAR ES SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
ZHILIAN GAO	CHINA	70
LEBAO LIU	CHINA	30
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building 100,000
Plant 600,000
Vehicles 100,000
Furniture & Fittings L
Pre-expenses
Others
Working Capital 47,000
TOTAL 847,000

Contact Details:

Name: ZHIJIAN GAO Title: DIRECTOR

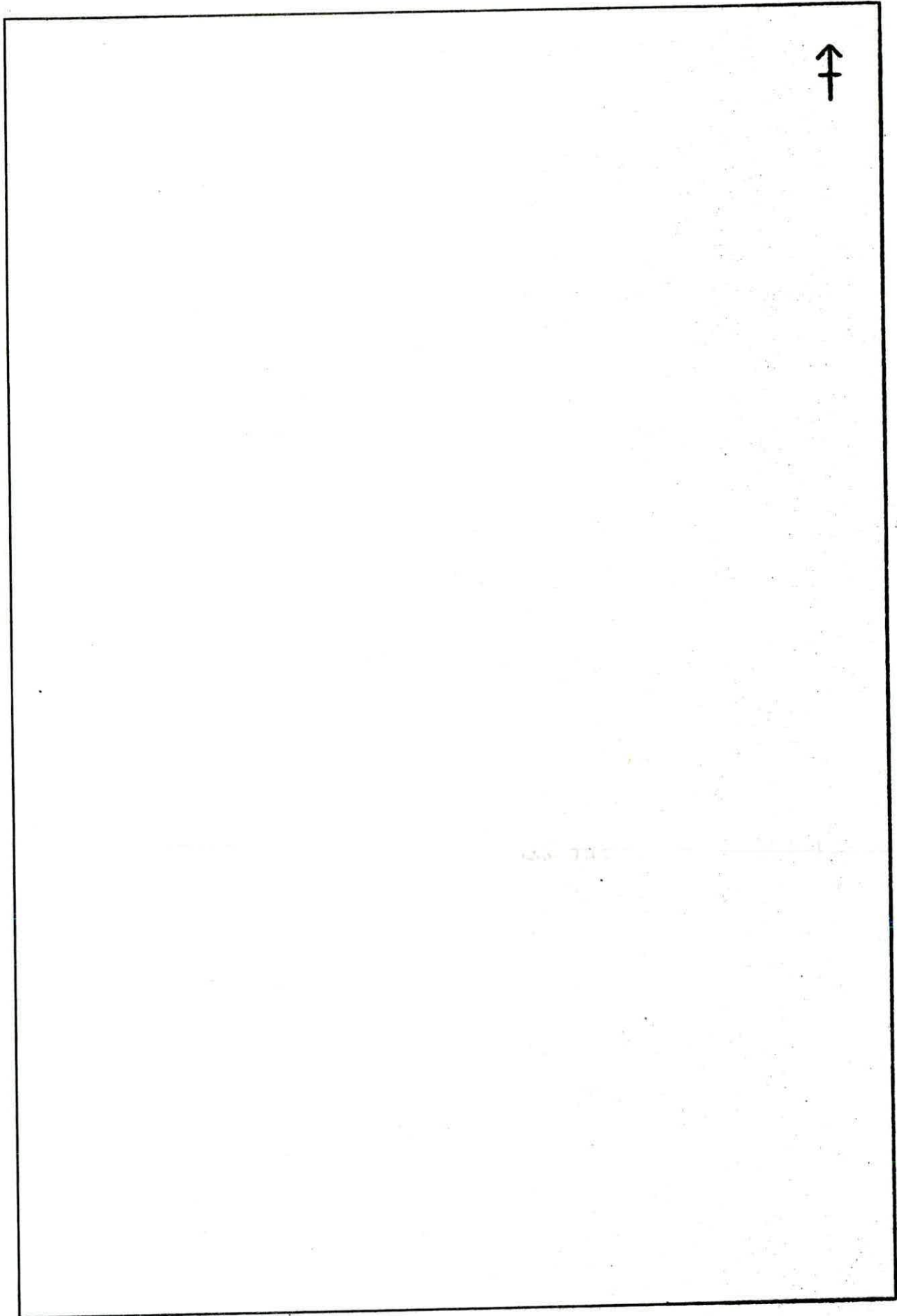
Telephone: 1255 786148883 Fax:

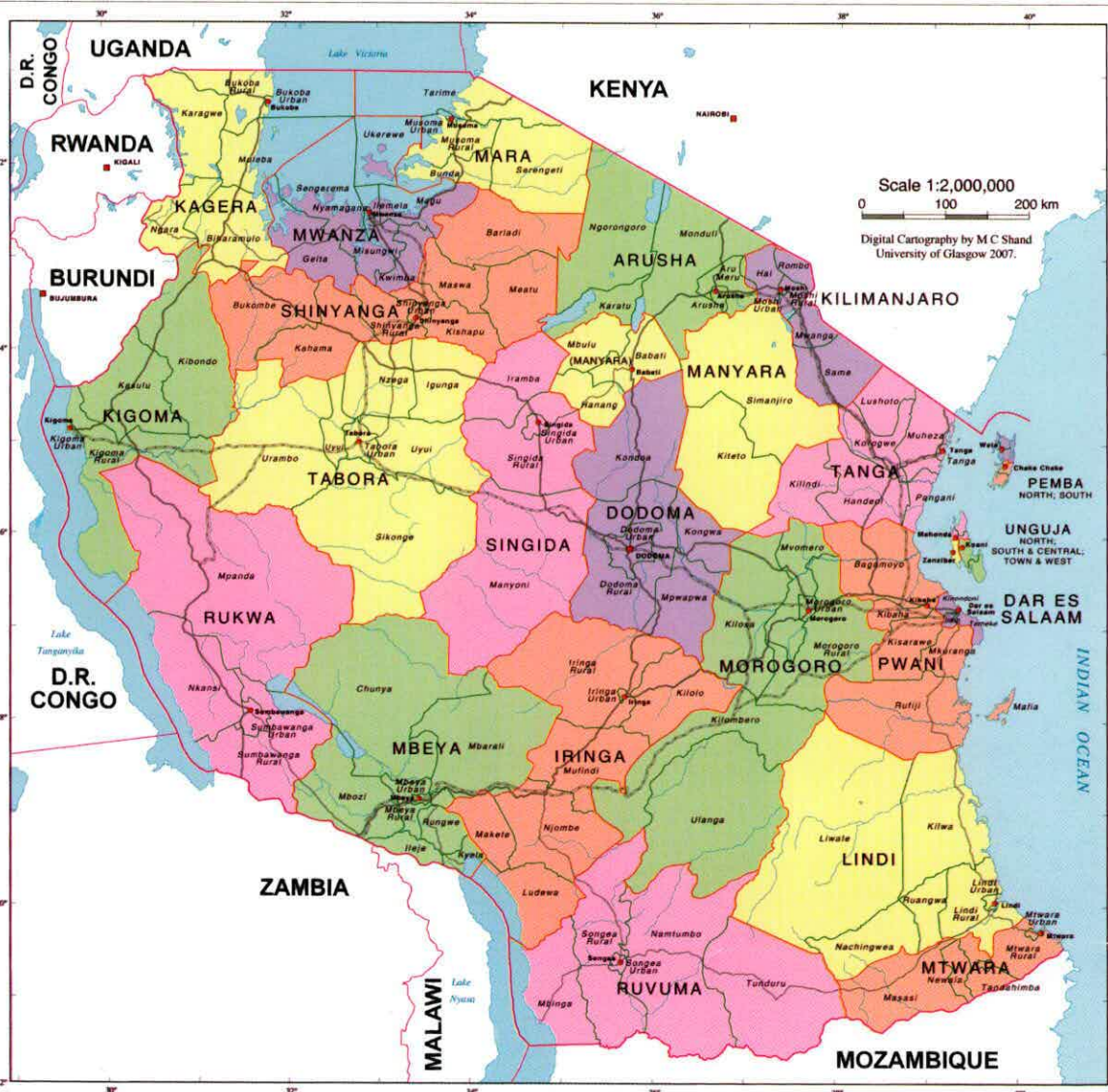
Email:

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





CTIN.: 1498525

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....LOTAI STEEL (TANZANIA) LIMITED.....

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

.....121-779-331.....

with effect from28/08/2013..


P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

THE COMPANY ACT (ACT NO.12 OF 2002)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

LOTAI STEEL (TANZANIA) LIMITED

**DRAWN BY:
YU-HSIEN HUANG (SUBSCRIBER)
P.O. Box ,33772
DAR ES SALAAM.**

TANZANIA

Stamp Duty Shts. 50,000/-

PAID ON ORIGINAL

Receipt No. 37006 of 16/08/2013



Stamp Duty Office

**THE COMPANIES (CAP. 12 OF 2002)
PRIVATE COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION**

OF

LOTAI STEEL (TANZANIA) LIMITED

TANZANIA
Stamp Duty Shts. 2000/-
PAID ON ORIGINAL
Receipt No. 37006 of 16/08/2013

Asst. Registrar

1. The name of the company is:
"LOTAI STEEL (TANZANIA) LIMITED."
2. The registered office of the Company will be situated in the United Republic of Tanzania
3. The objects for which the company is established are:-
 - a. To carry on and undertake trading business of all sorts and to act as importers, exporters, traders, manufacturers, retail and wholesale, civil construction engineering and commission agents of products, commodities and materials, in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, Government, Semi-Government or any local authority.
 - b. To carry on the business of importers and exporters of all kinds of goods, articles and things either manufactured, semi-manufactured or raw materials, and to act as sales representatives either on commission or on profit sharing basis of all kinds of goods and materials.
 - c. To maintain, repair, assemble, design, manufacture, import, export, purchase and sale of electronics, electric, and telecommunication equipment's of domestic, and industrial use, installation, designing, and consultancy services, assembly of electronic, electric and telecommunication appliances, establish, run and manage the electronics media industry as well as vocational training, and generally deal with all type of electric, electronic and telecommunication as well as mechanical in any manner as authorized by this memorandum or in any way connected to or incidental to the object of this company. To cooperate, collaborate, associate, ally, amalgamate, combine, join, league, link, mingle, unite with any company, partnership, government department, ministry, local authority, Non-governmental organization, private sector and institution, and any entity in furtherance of the objectives of the company.
 - d. To carry on the business of general importers and exporters, general merchant, hire-purchase dealers, commission agents, manufacturers; agents and representatives, manufactures, processors and distributors of and dealers in commodities, articles products and merchandise of all kinds in a manufactured,

semi-manufactured or raw state and to buy and sell, barter, exchange or otherwise deal in the same.

- e. To transact every kinds of agency business and generally to carry on business as sole or Sub-agents, Distributors, Attorneys or Representative of any company, firm or person whosoever situated, carrying on or engaged in the commodities business, manufacturing distributing or otherwise in merchandise of all kinds.
- f. To enquiry by purchase or otherwise and to obtain protection for, or to patent in any part of world any invention or discovery made by any official or savant of the company or others, and any improvement in machinery or apparatus, to exercise the use such protection or patent and to disclaim, alter or modify the same
- g. To carry on any other business whether manufacturing or otherwise which may seem to the Company capable of being conveniently carried on in connection with any of the above business or objects or calculated directly to enhance the value of or render profitable any other the Company's property or rights.
- h. To carry on, all or any business of general merchants, traders, suppliers, importers, stores, storekeepers, removers, packers, brokers, distributors. Manufactures' representatives, commission, insurance, managing financial and general agents, investors, franchisors, carriers ship owners; and or in any other capacity, and dealers in, and to buy, prepare, manufacture, render marketable, sell, barter, exchange, pledge, charge, make advances on and otherwise deal in or with or turn to account by wholesale or retail goods, general merchandise and other commodities of all kinds and description.
- i. To carry on, in all or any of their respective branches, all or any of the business of general contractors, contractors, general construction contractors engineering contractors, consultants, advisers, civil, electrical, and mechanical contractors, builders' masonry, plumbers, haulers, surveyors and planners, developers and property developers.
- j. To employ or engage or in any other way to procure the advice and assistance of engineers, consultants and experts in whatever field to advise and assist the Company in the carrying on of company's business or with reference to any of its objects or in connection with any project, development or other work for the time being be engaged in.
- k. To carry on in all their respective branches all or any of the business of builders, masonry and general construction contractors and haulers and among other things to construct repair, execute, carryout, equip, improve work and advertise, estates, roadways, train ways, ships, aircrafts, docks, harbors, hangers, wharves, canals, watercourses, reservoirs, embankments, irrigations, reclamation's, sewage, drainage and other sanitary works, water, gas, electric and other supply work houses, buildings and erections of every kind and to carry on any other business in connection with the above mentioned business that are customarily or usually carried on in connection therewith or naturally incidental thereto.

- l. To carry on all or any of the businesses of manufacturers, buyers, sellers, exporters, importers of and dealers in pharmaceuticals, medicinal, chemical, industrial and other preparations, veterinary and surgical instruments and appliances medicines, medical preparations, liniments and lotions, and as chemist and druggists and to manufacture, refine, distil, manipulate, compound, prepare for market and deal in all kinds of chemical, medical and other articles, preparations, ingredients, commodities, products, substances and things necessary or which may be conveniently used or dealt with in connection with the company's business.
- m. To carry on the business of importers and dealers in fuel and other oils, petroleum of every kind and the business of refiners of such oils and petroleum and the manufacturer of lubricating oils and all accessories required for the equipment and operations of the said vehicles, aircrafts and ships.
- n. To acquire any such shares, stocks, debentures, debenture stock, bonds, notes, securities, obligations, funds or loan by original subscription, tender, purchase, participation in syndicates, exchange or otherwise and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof, and to carry and transport from time to time as may be considered expedient any of the company's investments for the time being.
- o. To issue and deposit any securities which the company has power to issue by way of mortgage or secure any such sum less than the nominal amount of such securities, and also by way of security for the performance of any contract or obligations of the Company or of its customers or of any other company or person having dealings with the company, or in whose business or undertakings the company is interested.
- p. To apply for, purchase, or otherwise acquire and protect and renew in any part of the world any patent rights, brevets invention, trademarks, designs, licenses, consensus, and the like, conferring any exclusive or non-exclusive or limited rights to their use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company; or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop, or grant licenses in respect of, or otherwise turn to account the property, rights or information so acquire, and to expend money in experimenting upon, testing or improving any such patent, inventions or rights.
- q. To borrow or raise or secure the payment of money by bank overdrafts, mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the company shall deem fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the company's property or assets, present and future, including its uncalled capital, and collateral or further to secure any securities of the company by a trust deed or other assurance.

- r. To buy, sell, or otherwise dispose off, and to deal in any real or personal property and any stock, funds, shares, and securities of every description, on commission or otherwise, or to act as agent for any of the above or the like purposes;
- s. To establish and maintain branches and agencies for the purpose of the Company in any part of Tanzania or elsewhere and from time to time discontinue and regulate the same;
- t. To enter into partnership, or into any arrangements for sharing profits, union of interests, or cooperation with any person, partnership or company carrying on or about to carry on any business which this company is authorized to carry on, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company, and to take, otherwise acquire and hold stock or shares in such company;
- u. To grant pensions, allowances, gratuities and bonuses to officers, ex-officers, employees of the company or the dependents of such persons, to establish and maintain or concur in establishing and maintaining trusts, funds or schemes (whether contributory or non-contributory) with a view to providing pensions or other benefits for any such persons as aforesaid and their dependents and to institute and maintain any club or other establishment for the benefit of the company's employees.
- v. To purchase or otherwise acquire, erect, maintain, reconstruct and adapt any buildings, works, plant and machinery and other things found to be necessary or convenient for the purposes of the company.
- w. To sell, improve, manage, develop, turn to account, exchange, let on rent, share of profits or otherwise grant licenses, easements and other rights in respect of and in any other manner deal with or dispose of the undertaking of the company or any part thereof, or all or any of the property for the time being of the company, and for any consideration whether in cash or in shares (fully or partly paid) debentures, debenture stock or other interest in or securities of any company or otherwise.
- x. To carry on business as tour operators, tourist agents, safari contractors, organizers and operators, and to equip, organize, arrange hunting, photographic, game, fishing and other safari and expeditions of all kinds whatsoever.
- y. To amalgamate or enter into partnership of any agreement whether perpetual or terminable, for sharing profits, union of interest, joint-venture, reciprocal concessions or cooperation with any person, firm, society, association or group of persons carrying on or engaged in or about to carry on or engage in or (in the case of a company) formed to carry on or engage in any business or transaction within the objects of this company or any business transaction or course of action which may seem to the company capable of being conducted so as directly or indirectly to benefit the company or to prevent or minimize apprehended loss, damage or cost to the company or to such person, firm, society, association or group of persons, and to purchase, subscribe for or otherwise acquire and hold shares (fully or partly

paid up) or stock in or securities of, or to lend money, to guarantee the contracts of, subsidies or otherwise assist any such person, firm, society, association or group of persons, and to sell hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities.


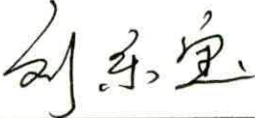
- z. To sell, exchange, let, develop, dispose of, transfer or otherwise deal with the undertaking of the company or any part thereof upon such terms and for such consideration as the company may think fit.
- aa. To raise or borrow money or to secure the payment of money and of any interest thereon in such manner and on such terms as may be deemed expedient, and in particular by the issue at par or at a premium or discount of debentures or debenture stock either perpetual or terminable, or by bonds, mortgages or any other form of security over or upon all or any of the undertaking, property or rights of the company both present and future including its uncalled capital, or without any such security.
- bb. To accept stock or shares in or the debentures, mortgage or other securities of any other company in payment or part payment for any services rendered or for any sale made to or debt owing from any such company.
- cc. To draw, accept, make, endorse, discount and negotiate bills of exchange, promissory notes and other negotiable instruments.
- dd. To acquire from any sovereign state or authority supreme, local or otherwise any concessions, grants, decrees, rights or privileges whatsoever which may seem to the company capable of being turned to account and to work, develop, carry out exercise and turn to account the same.
- ee. To carry on the business of financiers in all their branches and departments, including the borrowing raising or taking up of money, the lending or advancing of money, securities and property, the discounting, buying, selling and dealing in bills of exchange, promissory notes, coupons, drafts, bills of lading, warrants, debentures, certificates, underwriting and dealing with stocks, funds, shares, debenture stock, bonds, obligations, securities and investments of all kinds.
- ff. To capitalize if and when deemed advisable the whole or part of the undivided profits of the company and/or monies standing to the credit of the company's reserve funds and to distribute such sum either as bonus or in any other manner and either by way of shares credited as fully paid up or in such other manner as may seem expedient and whether amongst holders of shares in the company or others.
- gg. To establish, as a holding company, subsidiary company, which will either do one or more of the objectives stipulated herein before or with a different objectives from the objectives of this company, in the United Republic of Tanzania, Africa or elsewhere as it deem fit and advisable to do so.

- hh. 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 other, and either by or through agents, sub-contractors, trustees or otherwise.
- ii. Generally, to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them. 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 unincorporated, and whether unincorporated, registered, resident or domiciled in the United Republic of Tanzania or elsewhere.
- jj. And it is hereby declared that in the interpretation of this clause the powers conferred upon the company by any paragraph shall not be restricted by reference to any other paragraph or to the name of the company or by the juxtaposition of two or more objects, nor shall any of the aforesaid objects or powers be deemed subsidiary or auxiliary merely to the objects mentioned in the first or any other paragraph, save as is expressly provided, that the company shall have full power to exercise all or any of the power conferred by any part of this clause in any part of the world, and in the event of any ambiguity this clause and every paragraph hereof shall be construed in such a way as to widen and not to restrict the powers of the company.

4. The liability of the Members is limited.

5. The authorized share capital is Tanzanian T Shillings 2,000,000,000.00/- (Two Billion) divided into 10,000 (Ten Thousand) ordinary shares of Tanzanian T Shillings 200,000.00/- (Two Hundred Thousand) each with power for the company to increase or reduce such capital and to divide the shares in the capital for the time being whether original or increased in different classes and to attach thereto respectively any preferential, qualified or special right privileges or declare every issue of share, whether preference or otherwise or any such rights.

We the several persons, whose names, addresses and description 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 opposite our respective names.

Names, Postal Address and Occupations of Subscribers	Number of shares taken by each Subscriber	Signatures of Subscriber
1. ZHIJIAN GAO No. 288, Bocheng No. 4 Road, Boxing City, Shandong Province, China	7000	
2. LEBAO LIU No. 522, Donglu Can, Caowang Town, Boxing City, Shandong Province	3000	

Dated at Dar es Salaam... ^{15th} day of... ^{AUG} 2013.

WITNESS to the above Signatures:

Full Name: JANNETT JOHN KIMBLE

Signature: 

Postal Address: 37827 DSM

Qualification : ADVOCATE



TANZANIA
Stamp Duty Ehs. 5000/-
PARTION ORIGINAL
Receipt No. 37066 of 16/08/2013
Stamp Duty Office

**THE COMPANIES (CAP. 12 OF 2002)
PRIVATE COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION**

OF

LOTAI STEEL (TANZANIA) LIMITED

TANZANIA
Stamp Duty Ehs. 2000/-
Receipt No. 37066 of 16/08/2013
Asst. Registrar of Companies

PRELIMINARY

1. The regulations in Table A in the First Schedule to the Companies Act, 2002 shall not apply to the Company except so far as the same are repeated or contained in these Articles.

INTERPRETATION

In these Articles, unless the subject or context otherwise requires, the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof.

WORDS AND MEANINGS

"Articles"	these Articles of Association as originally framed or as altered from time to time by special resolution.
"Articles"	means these Articles of Association of LOTAI STEEL (TANZANIA) LIMITED
"Board"	means the Board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which a quorum has been attained.
"Company"	shall mean LOTAI STEEL (TANZANIA) LIMITED
"Month"	shall mean a calendar month.
"A Shareholder"	Any holder from time to time of the shares.
"The Directors"	The directors for the time being of the Company present at a duly convened meeting of the directors at which a quorum is present.
"The Office"	The registered office for the being of the company.

"The Act" The Companies Act, 2002 and every statutory modification and re-enactment thereof for the time being in force.

2. The company is private company and accordingly, no invitation or offer shall be made to the public (whether for cash or otherwise) to subscribe for any shares in or debentures of the company, nor shall the company allot or agree to allot (whether for cash or otherwise) any shares or debentures being offered of sale of the public.

The company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe, whether absolute or conditional, for any shares in the company, provided that such commission shall not exceed 10 per cent of the price at which such shares are issued, or an amount equivalent to such percentage and the requirements of section 56 of the Act shall be observed.

3. (a) The Directors may subject to Article 48 hereof allot, grant options over, or otherwise deal with or dispose of any relevant securities of the company in accordance with the provisions of these Articles and the Act to such persons and generally on such terms and conditions as the Directors think proper.
(b) The general authority conferred by paragraph (a) of this article shall be condition upon due compliance with Article 48 hereof and shall extend to the amount of the authorized share capital of the company upon its incorporation.
(c) The Directors shall be entitled under the general authority conferred by paragraph (a) of this Article to make at any time before the expiry of such authority any offer or agreement which will or might require relevant securities of the company to be allotted after the expiry of such authority.
4. If two or more persons are registered as joint holders of any shares any one of such persons may give effectual receipts for any dividends or other moneys payable in respect of such shares.
5. No person shall be recognized by the company as holding any share upon any trust and the company shall not be bound by or required to recognize equitable, contingent, future or partial interest in any share or any right whatsoever in respect any share other than an absolute right to the entirety thereof in the registered holder, except as by these Articles otherwise expressly provide or as required by law.

SHARE CAPITAL

6. The authorized share capital is Tanzanian T Shillings 2,000,000,000.00/- (Two Billion) divided into 10,000 (Ten Thousand) ordinary shares of Tanzanian T Shillings 200,000.00/- (Two Hundred Thousand) each, each with such rights, privileges or conditions as may be determined by or in such rights, privileges or conditions in such manner as may for the time being are provided by the regulations of the Company.

SHARES

7. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares any share in the capital of the company may be issued with such preferred, differed or other special rights or such restrictions, where in regard to dividend, voting return of capital or otherwise as the company may from time by ordinary resolution determine.
8. Subject to the provisions of Companies Act 2002, any preference shares may with the section of any ordinary resolution be issued on the terms that they are or at the option of the company are liable to be redeemed on such terms and in such manner as the company before the issue of the shares may by special resolution determine.
9. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed not to be varied by the creation or issued of further shares ranking pari-passu therewith.
10. If at any time shares capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of the three fourths of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting provisions of this articles relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.
11. Every person whose name is entered as member in the register of members shall without payment, be entitled to one certificate under the common seal of the company specifying the share or shares held by him and the amount paid up thereon, provided that in respect of a share or shares held jointly by several persons the company shall be bound to issue more than one certificate and delivery of certificate of a share to one of several jointly holders shall be sufficient delivery to all.
12. If a share certificate is defaced, lost, or destroyed, it may be renewed on payment of such fee, if any not exceeding fifteen thousand shillings, and on such terms, if any as to evidence and indemnity as the directors think fit.

LIEN

13. The company shall have a lien on every share for all moneys (whether present payable or not) called or payable at a fixed time in respect of that share and the company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him/her or his/her estate to the company, but the directors may at any time declare any shares to be wholly or in part exempt from the provisions of

this article. The company's lines, if any on a share shall extend to all dividends payable thereon.

14. The company may sell, in manner as the directors think fit, any shares on which the company has a line, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the shares or the person entitled by reason of his death or bankruptcy to the share.
15. For giving effect to any such sale the directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he/she shall not be found to see to the application of the purchaser money nor shall his/her title to the shares be affected by any irregularity or invalidity in the proceedings in references to the sale.
16. The proceeds of sale shall be applied in payment of such part of the amount in respect of which the line exists as is presently payable and the residue shall be held (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) by the company on behalf of the person entitled to the shares at the date of the sale.

CALLS ON SHARES

17. The directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares and each member shall (subject to perceiving at least fourteen days notice specifying the time or times of payment) pay to the company at the time or times of specified the amount called in his shares. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed.
18. The joint holders of shares shall be jointly and severally liable to pay all calls in respect hereof.
19. If sum called in respect of a share is not paid before or on the date appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at bank rate prevailing from time to time from the day appointed for payment thereof to the time of actual payment, but the directors shall be at liberty to waive payment of the interest wholly or in part.
20. The provisions of these articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of shares, becomes payable at a fixed time, whether on account of amount of the shares, or by way of premium, as if the same has become payable by virtue of call dully made and notified.

21. The directors may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
22. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him and upon all or any of the moneys so advanced may (until the same would but for such advance, become presently payable) pay interest at such rate (not exceeding, without the sanction of any company in general meeting) the bank rate existing from time as may be agreed upon between the member paying the sum in advance and the directors.

TRANSFER AND TRANSMISSION

23. Subject to the provisions hereinafter contained shares in the company shall be transferable by written instrument in the common form signed by both the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect thereof.
24. The directors may in their absolute discretion and without assigning any reason therefore decline to register any transfer of shares to any person who they do not approve not being already a member of the Company and may also decline to register any transfer of share on which the Company has lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year the directors may decline to recognize any instrument of transfer unless:-
 - (a) A fee not exceeding shillings five thousand is paid to the Company in respect thereof, and
 - (b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require showing the right of the transferor to make the transfer.

If the directors refuse to register a transfer of any shares, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

25. The personal representatives of a deceased sole holder of share shall be the only person recognized by the Company as having any title to the share. In the case of shares registered in the names of two or more holders, the survivors or survivor, or the personal representatives of the deceased shall be the only persons recognized by the company as having any title to the share.
26. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be required by the directors, have the right, either to be registered as a member in respect of the shares or, instead of being registered himself/herself, to make such transfer of share as the deceased or bankrupt person could have made; but the directors shall, in

either case, have same right to decline or suspend registration as they would have had in the case of transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

27. Except as hereinafter provided no share in the company shall be transferred unless and until the rights of pre-emption hereinafter conferred shall have been exhausted.
28. Every member or other person referred to in article 26 hereof who intends to transfer shares (hereinafter called the vendor) shall give notice in writing to the board of his intention. The notice shall constitute the board his agent for the sale lot the said shares in one or more lots at the discretion of the board to members of the company at a price to be agreed upon by the vendor and the board, and in default of agreement, at a price which the auditor of the Company for the time being shall certify, by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
29. Upon the price being fixed as aforesaid the board shall forthwith give notice to all the members of the Company other than holders of employees' share of the number and price of the shares to be sold and invite each of them to state in writing within twenty one days from the date of the said notice whether he is willing purchaser.
30. At the expiration of the said twenty-one days the board shall allocate the said shares to or among the member or members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be prorated according to the number of shares already held by them respectively, provided that no member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid. Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he make default in so doing the chairman for the time being of the directors of the company or failing him one of the directors duly nominated by resolution of the board for that purpose shall forthwith be deemed to be duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing money on behalf of the vendor and enter the name of the purchaser in the register of members as holder by transfer of the shares purchased by him.
31. In the event of the whole of the said shares not being purchased under article 28 the vendor may, at any time within six calendar months after the expiration of the said twenty-one days, transfer the shares not sold any person (subject to article 17) and at any price.
32. Articles 25,26,27,28 and 29 here of shall not apply to a transfer to a person who is already a member of the company, nor to a transfer merely for the purpose of effecting the appointment of new trustees, nor to a transfer by personal representatives to a legatee under the will of or to the husband, wife or next of kin of a deceased member, nor to a transfer by trustee to a beneficiary, provided that it proved to the satisfaction of the board that the transfer bona fide falls within one of these exceptions.

FORFEITURE OF SHARES AND EXPROPRIATION OF SMALL HOLDINGS

33. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the directors may at any time thereafter during such time as any part of such call or installments remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.
34. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
35. If the requirements of any such notice as aforesaid are not complied with, any shares in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the directors to that effect and such forfeiture shall extend to any dividends in respect of any shares so forfeited not actually paid at the date of the said notice.
36. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
37. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding, remain liable to pay to the company all moneys which, at the date of the forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in the full of the nominal amount of the shares.
38. The holders for the time being of four fifths of the issued shares in the company shall be entitled at any time to purchase ex dividend all or any of the shares held by any member of the company at a price equal to the sum paid up thereon and upon the tender of that price by the holders of four fifths of the issued shares to any other member for the shares held by him that member shall execute transfer of the share to the members by whom the tender is made or their nominees in such shares and proportions as they shall direct. If the member to whom the tender is made neglects or refuses to accept the sum tendered or to execute transfers of the shares the company may on proof of his neglect or refusal accept and give a good discharge for the moneys tendered on behalf of the member to whom the same shall have been tendered, and the provisions of article 23 shall apply to the execution of transfer of the shares and the registration of the members by whom the tender was made or their nominees as owners of the said shares.
39. A statutory declaration in writing that declarant is a director of the company and that a share in the company has been duly forfeited or expropriated on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all

persons claiming to be entitled to the share. The company may receive the consideration, if any given for the shares in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any nor shall his title to the share be affected by any irregularity or invalidity in the proceeding in reference to the forfeiture of expropriation, sale or disposal of the share.

40. The provisions of these articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of issue of share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

ALTERATION OF CAPITAL

41. The company may, from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.
42. Subject to any direction to the contrary that may be given by the resolution sanctioning the increase of share capital, all new shares shall, before issue be offered to such persons as at the date of the offer are entitled to receive notices from the company of general meetings in proportion, as early as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration to that time or on receipt of an intimation from the person to whom the offer is made that he/her declines to accept the shares offered the directors may dispose of the same in such manner as they think most beneficial to the company. The directors may likewise so dispose of any new shares which (by reason of the ration which the new shares bear to shares held by persons entitled to an offer of new shares cannot in the opinion of the director, be conveniently offered under this article.
43. The new shares shall subject to the same provision with reference to payment of calls, lien, transfers, transmission, forfeiture, expropriation and otherwise as the shares in the original share capital.
44. The company may by any ordinary resolution:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than existing shares.
 - (b) Sub-divide its existing shares or any of them, into shares of smaller amount than is fixed by the memorandum of association, subject, nevertheless, to the companies Act.
 - (c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and may by special resolution.
 - (d) Reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorized and consent required by law.

GENERAL MEETINGS

45. The company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting and that of the next. Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and at such place as the directors shall appoint.
46. All general meeting other than the annual general meeting shall be called extraordinary general meetings.
47. The directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not within the Unite Republic of Tanzania sufficient directors capable of acting to form a quorum, any director or any on member of the company may convene an extraordinary general meeting in the same manner as early as possible as that in which meeting may be convened by the directors.

PROCEEDINGS AT GENERAL MEETINGS

48. An annual general meeting and a meeting called for the passing of special resolution shall be called by twenty one days' notice in writing at the least and all other meetings by fourteen days' notice in writing at least. Such notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of the business shall be given in the manner hereinafter mentioned, or in such other manner, if any as may be prescribed by company in general meeting to such persons as are under these articles, entitled to receive such notices from the company, but with the consent of all the members entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those members may think fit.
49. The accidental omission to give notice to or the non-receipt of notice of a meeting by any members shall not invalidate the proceedings at any meetings.
50. All business shall be deemed special that is transacted at an extraordinary general meeting and all that is transacted at an annual general meeting, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the ordinary report of the directors and auditors, the election of directors in the place of those retiring by rotation, and the appointment and fixing of the remuneration of the directors.
51. No business shall be transacted by at any general meeting unless a quorum or members is present at the time when the meeting proceeds to business, same as herein otherwise provided two members personally present shall be a quorum.

52. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved and any other case it shall stand adjourned to the same day in next week, at the same time and place and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the meeting shall be dissolved.
53. The chairman, if any of the board of directors shall preside as chairman at every general meeting of the company.
54. If there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairman, the members present shall choose someone of their member to be chairman.
55. The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty or more days, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give a notice of any adjournment or of the business to be transacted at an adjourned meeting.
56. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one member entitled to vote present in person or by proxy and unless a poll is so demanded, a declaration by the chairman that the resolution has, on a show of hands, been carried or carried unanimously, or by particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
57. If a poll is duly demanded it shall be taken in same manner as the chairman directs and the result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.
58. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a second or casting vote.
59. A poll demanded on the election of a chairman, or in a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs.
60. Any ordinary resolution of the company determined on without any general meeting and evidenced by writing under the hands of all the directors or a sole director and of members of the company holding three-fourths of the issued shares of the company

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

VOTES OF MEMBERS

61. On a show of hands every member present in person shall have one vote, on a poll every member shall have one vote for each shares of which he is the holder.
62. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of member.
63. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee a curator bonus, or other person in the nature of a committee or curator bonus appointed by that court and any such committee, curator boons, or other person may, on a poll, vote by proxy.
64. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him/her in respect of shares in the company have been paid.
65. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purpose. Any such objection made in due time shall be referred to the chairman of the meeting whose decision shall be final and conclusive.
66. On a poll votes may be given either personal or by proxy.
67. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under the common seal, or under the hand of an officer or attorney so authorized. A member shall not be entitled to appoint more than one proxy to attend on the same occasion nor may a proxy vote except at a poll.
68. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a naturally certified copy of that power or authority shall be deposited at the registered officer of the company not less than forty-eight hours before the time for holding the meeting, or adjourned meeting, or taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
69. An instrument appointing a proxy may be in the following form, or in any other form which the directors shall approve:-

LOTAI STEEL (TANZANIA) LIMITED, "I of, Being a member of the LOTAI STEEL (TANZANIA) LIMITED, hereby appoint..... of to act as my proxy to vote for me and on my behalf at the ordinary (or extraordinary, as the case may be) general meeting of the company to be held on the day of and at any adjourned meeting thereof ".

Signed this.....day of201.....

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

DIRECTORS

71. The first directors shall be not less than two in number and shall be appointed by the subscribers to the Memorandum of Association. Unless and until otherwise determined by the company by ordinary resolution, the number of directors shall not be less than two.
72. The name of the first directors of the company are as follows:-
1. ZHIJIAN GAO
 2. LEBAO LIU
73. (1). The remuneration of the directors shall from time to time be determined by the company in general meeting.
- (2) In addition to their usual remuneration the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their duties, including any such expenses incurred in connection with their attendance at meetings of directors.
74. Any director may in writing appoint any person, who is approved by the majority of the directors to be his proxy and to represent him in meetings, which he/her is unable to be present. Every such alternate shall be entitled to notice of meeting of the directors and to attend and vote there at as a director when the person appointing him is not personally present, and where he/her is a director, to have a separate vote on behalf of the director he is representing in addition to his own vote. A director may at any time in writing revoke the appointment of an alternate appointed by him. Every such alternate shall be an officer of the company and shall not be deemed to be the agent of the director appointing him/her. The remuneration of such alternate shall be payable to the director appointing him/her and the proposition thereof shall be agreed between them. An alternate director need not hold any share qualification.

75. A director and alternate director shall not require a share qualification by nevertheless shall be entitled to attend and speak at any general meeting of the company and at any separate meeting of the holders of any class of shares in the company.
76. The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his/her stead. A vacancy occurring in the board of directors may be filled up by the company by an ordinary resolution.

POWER AND DUTIES OF DIRECTORS

77. The business of the company shall be managed by the directors, who may pay all expenses incurred in forming and registering the company, and may exercise all such powers of the company as are not, by the companies Act 2002 or any statutory modification thereof, for the time being in force, or by these articles, require to be exercised by the company in general meeting subject nevertheless to the provisions of these articles and of the said ordinance and the exercise of such powers shall be subject to control of any general meeting of the company specially convened for the purpose, but no resolution of the company in general meeting shall invalidate any prior act of the directors which would have been valid if that resolution had not been passed.
78. The directors may from time to time appoint one or more of their body to the office of managing director or manager for such term and at such remuneration (whether by way of salary or commission or participation in profits, or partly in one way and partially in another) as they may think fit. The office of managing director shall be subject to determination ipso fact if he ceases from any cause to be a director, or if the company in general meeting resolves that his/her tenure of the office of managing director or manager be determined.
79. The directors may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property, uncalled capital, or any part thereof and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party.
80. The directors shall duly comply with the provisions of the Companies Act, 2002 or any statutory modification thereof for the time being in force, and particular with the provisions in regard to registration of the particulars of mortgages and charges affecting the property of the company, or created by it, and to keeping a register of the directors and secretaries and to sending to the Registrar of Companies and annual list of members, and a summary of particulars relating thereto, and notice of any consolidation or increases of shares capital, or conversion of shares into stock, and copies of special and extraordinary resolution, and a copy of the register of directors and notification of any changes therein.
81. The directors shall cause minutes to be made in the books provided for the purpose:-
(a) Of all appointments of officers made by the directors

- (b) Of the names of the directors present at each meeting of the directors and of any committee of the directors.
- (c) Of all resolutions and proceedings at all meetings of the Company, and of the directors and of committees of directors and every director present at any meeting of directors shall sign his/her name in a book to be kept for that purpose.

DISQUALIFICATION OF DIRECTORS

82. The office of any director shall be vacated, if the director:-
- (a) Resigns his office by notice in writing to the company; or;
 - (b) Becomes bankrupt in this Territory or in any other territory which is declared to be a reciprocating territory under section 147 of the Bankruptcy Ordinance; or
 - (c) Is found to be lunatic or becomes unsound mind or
 - (d) Is punished with imprisonment of a term exceeding six months without the option of fine; or
 - (e) Is requested in writing by all his/her co-directors to resign.
- 83 Any director or any company or firm of which a director is a member, may/or enter into contracts with the company and any director or shareholder in respect of such contract and retain for his own use profit made by him under any such contract, provided always that unless he be at the time sole director he must disclose his interest to his co-directors before the contract is entered into by the directors, and if he be at the time sole director and is interested the contract must be entered into by the company in general meeting and before the contract is entered into the director or directors must disclose his or their interest to the meeting.

PROCEEDINGS OF DIRECTORS

84. The directors may meet together for the dispatch of, adjourn and otherwise regulate their meetings, as they think fit. Any question arising at any meeting shall be decided by a majority of votes, in case of any equality of votes the chairman shall have a second or casting vote. A director may, and the secretary on the requisition of a director shall, at any time summon a meeting of the directors.
85. The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be two.
86. The continuing directors may act notwithstanding any vacancy in the body, but, if and so long as their number is reduced below the number fixed by or pursuant to these articles as the quorum of directors, the continuing director may act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.

87. The directors may elect a chairman of their general meeting and determine the period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of their meeting.
88. The directors may delegate any of their powers to committees consisting of such members of their body as they think fit, any committee so formed shall in the exercise of the powers so delegate conform to any regulation that may be imposed on them by the directors.
89. A committee may elect a chairman of their meeting, if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose any of their number to be chairman of the meeting.
90. A committee may meet and adjourn as they think proper. Questions arising at any meeting shall determine by a majority of votes of the members present, and in the case of any equality of votes the chairman shall have a second or casting vote.
91. All acts done by any meeting of the directors or of a committee of directors, or any person acting as a director, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed to be a director.
92. A resolution determined on without any meeting of directors and evidenced by writing under the hands of all directors, or sole director, or of all members of a committee, or of sole member of a committee, shall be as valid and effectual as resolution duly passed at meeting of the directors or of such committee.

MANAGING DIRECTOR

93. The directors may from time to time appoint a Managing Director who may not necessarily be out of their body for such a period and on such terms as they think fit, and subject to the terms of agreement entered into in any such particular case, may revoke such an appointment.
94. Managing Director shall receive such remuneration as the Directors may determine.

SECRETARY

95. The Directors shall appoint a Secretary of the Company on such terms, at such remuneration and upon such condition, as they may think fit, and they may remove the Secretary appointed by director's board resolution.

THE SEAL

96. The Director shall provide for the safe custody of the seal. The seal shall only be used by the authority of the Directors or of a Committee of the Directors authorized by the Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the Secretary or by a second Director.

DIVIDENDS AND RESERVE

97. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the directors.
98. The directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profit of the company.
99. No dividends shall be paid otherwise than out profits.
100. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends all dividends shall be declared and paid according to the amounts paid on the shares, but if and so long as nothing is paid up on any of shares in the company dividends may be declared and paid according to the amount of the shares. No amount paid on a share in advance of call shall, while carrying interest, be treated for purpose of this article as paid on the share.
101. The directors may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall, at the discretion of the directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profit of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the directors may from time to time think fit.
102. If several persons are registered as joint holders of any share any one of them may give effectual receipts for any dividends payable on the shares.
103. No dividend shall bear interest against the company.

ACCOUNTS

104. The directors shall cause proper books of accounts to be kept with respect to:-
All sums of money received and expended by the company, and the matters in respect of which the receipt and expenditure takes place. All sales and purchase of goods by the company and the Assent and liabilities of the company. Proper books of account mean such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transaction.

105. The books of accounts shall be kept at the registered office of the company, or at such other place or place as the directors think fit, and shall always be open to the inspection of the directors.
106. The directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of members not being directors, and no member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by statute or authorized by the directors or by the company in general meeting.
107. The directors shall from time to time in accordance with section 153 of the Companies Act 2002 or any statutory modification thereof for the time being in force, cause to be prepared and to be laid before the company in general meeting such profit and loss accounts, balance sheet, group accounts (if any) and reports as are referred to in those sections.
108. A copy of every balance sheet (including every document required by the law to be annexed thereto) which is to be laid before the company in General meeting before the date of the meeting together either a copy of the auditors report, shall not less than twenty one days be sent to every member of, and every holder of debentures of, the company and to every person registered under regulations 19. Provided that the regulation shall not require a copy of those documents to be sent to any member of whose address the company is not aware or to more than one of the joint holders of any shares or debentures.

CAPITALISATION OF PROFITS

109. The company in general meeting may upon the recommendation of the directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution amongst the members who would have been entitled there to distributed by law of dividend and in the same proportions on conditions that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full un issued shares or debentures of the company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, or partly in the one way and partly in the other, and the directors shall give effect to such resolution.

Provided that a shares premium account and capital redemption reserve fund may, for the purpose of this regulation, only be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus share.

110. Whenever such resolution as aforesaid shall have been passed the directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issue of fully paid up shares or debentures, if any, and generally shall do all acts and things to give effect thereto with full power to the directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they as they think fit for the case of shares of debentures becoming distributable in fractions, and also to authorize any person to enter on behalf of all members entitled thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up or any other shares or debentures to which they may be entitled up on such capitalization, or (as the case may require) for the payment up by the company or their behalf, by the application thereto of their respective proportions of the profits of the resolved to the capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effectively and binding on all such members.

AUDIT

111. Once at least in every year the accounts of the Company shall be examined and the correctness of the balance sheet ascertained by an auditor.
112. The Directors shall appoint the first auditor who will hold office until the first annual general meeting.
113. The Directors may fill up any a casual vacancy in the office of auditor.
114. The remuneration of the auditor shall be fixed by the Company in general meeting, except that the remuneration of any auditor appointed by the Directors may be fixed by the Directors.

NOTICES

115. A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if has registered address in Tanzania, to the address, if any, within Tanzania supplied by him to the company for the giving of notices to him. Where a notice is sent by post, service of the notice shall be deemed effected by properly addressing, prepaying and posting a letter containing the notice and, unless the contrary is proved, to have been effected at the tie at which the latter would be delivered in the ordinary course of post.
116. If a member has no registered address in Tanzania and has not supplied to the company an address within the Republic of Tanzania for the giving of notices to him, a notice to him, a notice addressed to him/her, ad displaced in the registered office of the company, shall be deemed to be dully given on the day on which it is so displayed.

117. A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder named first in register in respect of the share.
118. A notice may be given by the company to the persons entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in a prepaid letter addressed to them by name of the title of representatives of the deceased, or trustees of the bankrupt, or by any like description, at the address if any in the United Republic of Tanzania supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.
119. Notice of any general meeting shall be given in the same manner hereinbefore authorized to (a) every member of the company except those members who (having no registered address within the United Republic of Tanzania) have not supplied to the company an address within the United Republic of Tanzania for the giving of notices to them, (b) every person entitled to share in consequence of death or bankruptcy of a member, who, but for his death or bankruptcy, would be entitled to receive notice of the meeting and (c) the auditors for the time being of the company. No other person shall be entitled to receive notices of general meetings.

WINDING UP

120. If the company shall be wound up the liquidator may, with the sanction or an extraordinary resolution of the company and any other sanction required by the Companies Act, 2002 divide amongst the members in specie or kind the whole or any part of the assets of the company (whether they shall consist of property of the same kind or not) and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such decision shall be carried out as between the members or different cases or members. The liquidator may, with sanction, vest the whole or any part of the assets in trustees up on such trusts for the benefit of the contributors as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

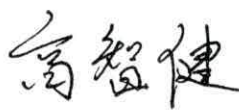

INDEMNITY

121. Subjected to the provisions of the companies Act, 2002 every director, Managing director, agent, auditor, secretary and other officer for the time being of the Company shall be indemnified in any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted.

ALTERATIONS OR ADDITIONS


122. Subject to the provisions of the Act and to those contained in the Memorandum of Association, the Company may by special resolution make alterations or additions to the Articles of Association and any such alterations or additions as made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alteration by Special Resolution.

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 or respective names.

Names, Postal Address and Occupations of Subscribers	Number of shares taken by each Subscriber	Signatures of Subscriber
3. ZHIJIAN GAO No. 288, Bocheng No. 4 Road, Boxing City, Shandong Province, China	7000	
4. LEBAO LIU No. 522, Donglu Can, Caowang Town, Boxing City, Shandong Province	3000	

Date at Dar es Salaam.....*15th*.....day of *AUG*.....2013.

WITNESS to the above Signatures:-

Full Name: *JONNETH JOHN KIMARI*
 Signature: 
 Postal/Address: *31827 D/M*
 Qualification: *ADVOCATE*





TIC Evaluation Report

Name of the Company
Lotai Steel (Tanzania) Ltd.

Post Box	Mandela Road, Warehouse No. 1, Plot No. 249	COI Number	101708	Contact	Mr. Zhijian Gao
Post Office	3372	COI Date	20/08/2013	Designation	Director
Region	Mandela Road	Application F. No	11356	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0786 148 883
		Sub Sector	Building Materials	Fax	0
		File No	042532	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	Warehouse No. 1, Plot No. 249	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Mandela	0.847	0	0	0
District	Ilala				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.1
Lebao Liu	Chinese	30	Plant	0.6
Zhijian Gao	Chinese	70	Vehicles	0.1
			Furniture & Fittings	0
			Pre-expenses	0
			Others	0
			Working Capital	0.047
			Total	0.847

Employment	55	Evaluated By	wf officer3
Capacity	xxxxx	Drawn By	wf registry1
Project Turn Over		Project Type	Foreign

Description

To establish and operate Iron roofing materials project

Recommendations

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

Decision

Approved as recommended. However, continue to scrutinize the project in view of the size of capital to be invested and the actual activity to be done by the project.

Abdullah Ag EXD 13/9/2012

TICC/PP.10/042532/3

13th September 2013

Managing Director,
Lotai Steel (Tanzania) Ltd,
P.O. Box 3372
Dar es Salaam.

RE: CERTIFICATE OF INCENTIVES FOR IRON ROOFING MATERIALS PROJECT

We wish to acknowledge receipt of your project proposal to establish and operate Iron roofing materials project as presented in the TIC P.A. 1 Form No. 11356 and Feasibility Study with a projected investment amounting to USD 0.847 m.

We are pleased to inform you that your investment proposal is now 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.

Also be informed that you will have to submit a project implementation Progress Report on the implementation of the project 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 the Certificate of Incentives. Please make deposit direct to the bank as per bank details below:

TICC/PP.10/042532/3

13thSeptember 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

Bank Credit Certificate

We certify that Liu
Lebao(G47267023) opened an
account in our bank, He owns a
good personal credit in our bank,
hereby certify that!

Agriculture Bank of China Boxing Fuwang Branch

2013-9-7



Bank Credit Certificate

We certify that Gao Zhijian (G39491494) opened an account in our bank, He owns a good personal credit in our bank, hereby certify that!

Agriculture Bank of China Boxing Fuwang Branch

2013-9-7



Unclaimed refund beyond three years will be forfeited



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TANZANIA INVESTMENT CENTRE

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

RECEIPT REC012920

No.006880

Received from : LOTAI STEEL TANZANIA LTD

Address P. O. Box Dar Es Salaam.

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

Being payment in respect of CERTIFICATE OF INCENTIVES FEES

Amount : USD 1,000.00

Cash / Cheque No: D/deposit 25/9

Date : 25-Sep-2013

B. Uiso
Receiving Officer

*For Executive Director
Tanzania Investment Centre*



00220325

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042532

No:

This is to certify that

.....
LOTAI STEEL (TANZANIA) LTD
.....

P.O. BOX 3372

of address

DAR ES SALAAM
.....

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

LOTAI STEEL (TANZANIA) LTD
.....

WAREHOUSE NO. 1, PLOT NO. 249, MANDELA ROAD

Which is located at

ILALA - DAR ES SALAAM
.....

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

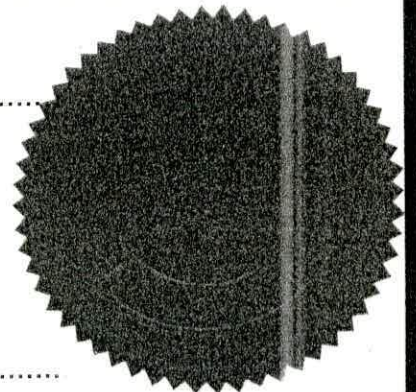
.....

Executive Director

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

13TH SEPTEMBER 2013

Dated



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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Lebao Liu	Chinese	30
Zhijian Gao	Chinese	70
2. Proposed Activities : **To establish and operate Iron roofing materials project**
3. Sector: **Manufacturing** Subsector: **Building Materials**
4. Investment cost: Foreign **USD 0.847m.** Local **-** Total **USD 0.847m**
5. Project Financing: Equity **USD 0.847m.** Loans **-** Total **USD 0.847m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0.847m.	-	USD 0.847m.
8. Technology Agreement **None**
9. Date of TIC Registration: **13th 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**
As per Income Tax Act, 2004 (as amended)
(ii) Applicable with-holding Tax **As per Income Tax act, 2004 (as amended)**
(iii) Eligibility of Capital Allowances
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
None

Signed 
Executive Director

Tic

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LOTAI STEEL (TANZANIA) LIMITED

P.O.BOX.3372 .DSM

TEL- 0654990099

30/12/2014

Commissioner of Customs & Excise
Tanzania Revenue Centre
P.O.Box. 9053, DSM

UFS
Executive Director
Tanzania Investment Centre
P.O.Box. 938, DSM



received
on 31/12/2014
[Signature]

Dear Sir:

RE: DUTY & VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR CERTIFICATE OF INCENTIVES NO: 042532

We are TIC approved project with certificate of incentive No: 042532 which is valid up to September 2016.

The company has been registered with objectives of Capital/Deemed Capital Goods for Duty/VAT exemption approved.

Yours faithfully

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

Managing Director

LOTAI STEEL TANZANIA LTD

P. O. BOX 3372

DAR ES SALAAM

Signature: *[Handwritten Signature]*
Date: 11/10/2013



00220325

Chief Executive Director
Tanzania Investment Centre

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

042532

No:

This is to certify that

LOTAI STEEL (TANZANIA) LTD

of address
P.O. BOX 3372

DAR ES SALAAM

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

LOTAI STEEL (TANZANIA) LTD

Which is located at
WAREHOUSE NO. 1, PLOT NO. 249, MANDELA ROAD

ILALA - DAR ES SALAAM

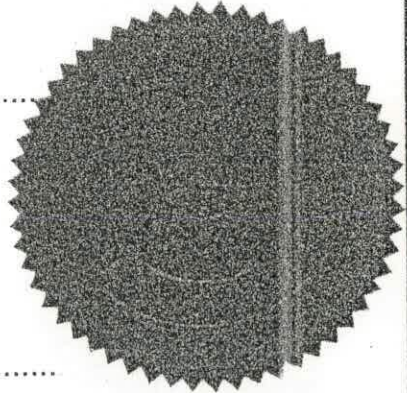
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

[Handwritten Signature]

Executive Director

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

Dated
13TH 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

Shareholders	Nationality	Shareholding (%)
Lebao Liu	Chinese	30
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2. Proposed Activities : **To establish and operate Iron roofing materials project**
3. Sector: **Manufacturing** Subsector: **Building Materials**
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5. Project Financing: Equity **USD 0.847m.** Loans **-** Total **USD 0.847m.**
6. Source, terms and conditions of loan.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0.847m.	-	USD 0.847m.
8. Technology Agreement **None**
9. Date of TIC Registration: **13th September 2013**
10. Implementation period **September 2013 - August 2016**
11. Operative date..... **September 2016**
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(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
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(iv) Failure to operate investment must be notified to the Centre
(v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate
None

Signed 
Executive Director

CTIN.: 1498525

ISO 9001:2008 Certified



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

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

THIS IS TO CERTIFY THAT

.....LOTAI STEEL (TANZANIA) LIMITED.....

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

.....121-779-331.....

with effect from28/08/2013..



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

LOTAI STEEL (TANZANIA) LIMITED

P. O. BOX 3372, DSM

TEL: +255 654990099

IMPORT GOODS LIST

ITEM NO	ITEM NAME	UNIT	QTY	ITEM GROUP	ITEM PRICE	TIN	EXEMPTION REFERENCE NO	EXEMPT DATE
1	HOISTING MACHINE	SET	5	machine		121779331		
2	GALVANIZED PRESSING SHEET MACHINE	SET	20	machine		121779331		
3	COLOR COATED SHEET MACHINE	SET	20	machine		121779331		
4	STAMPING MACHINE	SET	20	machine		121779331		
5	PRESSING MACHINE	SET	30	machine		121779331		
6	BALING MACHINE	SET	5	machine		121779331		
7	ELECTRICAL WELDING MACHINE	SET	5	machine		121779331		
8	ELECTRICAL CUTTING MACHINE	SET	5	machine		121779331		
9	AIR COMPRESSOR	SET	5	equipment		121779331		
10	POWER TRANSFORMER	SET	2	equipment		121779331		
11	CABLE CONNECTION	SET	6	equipment		121779331		
12	GENERATOR	SET	10	equipment		121779331		
13	FORKLIFT	PCS	8	motor vehicle		121779331		
14	LIGHT TRUCK	PCS	8	motor vehicle		121779331		
15	SINGLE CAB PICK-UP	PCS	2	motor vehicle		121779331		

TICC/PP.10/042532/6

05/01/2015

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

Dear Sir,

**RE: DUTY/ VAT REMISSIONS ON CAPITAL/ DEEMED CAPITAL
GOODS – CERTIFICATE OF INCENTIVES No: 042532**

M/S Lotai Steel (Tanzania) Limited is a TIC registered company with certificate of incentives **No. 042532** which is valid up to **August 2016**

The company has been registered with objectives of establishing and operating Iron roofing material manufacturing Project.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE


N.A. Senzia

FOR: EXECUTIVE DIRECTOR