



~~GA~~

GUINIHAN GROUP

(T) LTD

MINUTE SHEET

EXD

Kezo
No.

10 Ag.

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest ... USD 2.6m
- (b) Legal entity has been incorporated under certificate

No. 104954 of 06/01/2014

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.



Revocatus Arbogast

IFM

21st January, 2014

MINUTE SHEET

Dokezo
No.



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

ISMAIL DAG

.....

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

122-857-662

.....
08-01-2014

with effect from



P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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



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

GUNGOR YILDIZ

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

122-857-808

.....
08-01-2014

with effect from

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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



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

GUNHAN GROUP TANZANIA LIMITED

.....

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

122-856-046

.....
08-01-2014

with effect from

A handwritten signature in black ink, appearing to read 'P. N. Kassera', is written over a rectangular stamp.

P. N. Kassera

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

TANZANIA



Certificate of Incorporation

Section 15

No 104954

I HEREBY CERTIFY THAT

GUNHAN GROUP TANZANIA LIMITED

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

Given under my hand at Dar es salaam

this **6TH** day of **JANUARY****TWO THOUSAND AND FOURTEEN.**

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

Asst. Registrar of Companies



REFERENCE LETTER

Date:03/01/2014

Our Ref 0386-280

To EXECUTIVE DIRECTOR, TANZANIA INVESTMENT CENTRE (TIC)
 Adress P.O Box 938, DAR ES SALAAM, TANZANIA
 Name /Commercial Title : GÜNGÖR YILDIZ GÜNHAN MACHINERY DRILLING MINING
 CONSTRUCTION PETROLEUM & ENERGY PRODUCTION TRADING &
 INDUSTRY CO. LTD.
 Subject: PREQUALIFICATION FILE

Free Deposits (5)	Allocated Credit Limits			
	Utilised		Unutilised	
	Cash Credit (1)	Non-Cash Credit (2)	Cash Credit (3)	Non-Cash Credit (4)
Variable			9 216.590.-USD	9 216.590.-USD

This reference letter indicates the credit limits and free deposits of the above stated company as of 03.01.2014

USD Equivalent of TRL. is calculated by using the current rate of (USD) 1 = TRL(2,17)

This reference letter has been issued upon request of our customer and bears no responsibility or engagement on our part

(1)-

(2)-

(3) Nine million two hundred six-teen thousand fifty-nine hundred

(4) Nine million two hundred six-teen thousand fifty-nine hundred

(5) Variable

TÜRKİYE HALK BANKASI A.Ş.

NEGATİBEY BRANCH

BİRGİN KAYA

Assistant Director

İbrahim Sarıgül YAR
Director

Günhan PET. VE ENERJİ ÜRETİM, TİC. VE SAN. LTD. ŞTİ.
 Kızılay Mah. Kazım Karabekir Cad. No: 149
 Tel: (0424) 224 18 96 - 224 15 13 ELAZIĞ
 Harput Yerleşkesi 438 088 5876

TICC/PP.10/042593/3

20th January, 2014

Managing Director,
Gunhan Group Tanzania Ltd,
P.O. Box 32148,
DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR WATER MACHINERY & EQUIPMENT PRODUCTION PLANT IN DAR ES SALAAM.

We wish to acknowledge receipt of your project proposal to establish water machinery & equipment production plant in Dar es Salaam as presented in the TIC P.A. 1 Form No. 11606 and Feasibility Study with a projected investment amounting to USD 2.6m.

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

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

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.10/042593/3

20th January, 2014

*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



N. A. Senzia

Ag. Executive Director

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

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

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



TIC Evaluation Report

Name of the Company
Gunhan Group Tanzania Ltd.

Post Box	Msasani	COI Number	104954	Contact	Mr. Gungor Yildiz
Post Office	32148	COI Date	01/06/2014	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	11606	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0687 000070
		Sub Sector	Assembling Plant	Fax	0
		File No	042593	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	msasani	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>2.6</td> <td>0</td> <td>0</td> <td>0</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	2.6	0	0	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
2.6	0		0	0								
Street	0											
District	Kinondoni											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.8
Medad Kakizibar	Tanzanian	10	Plant	1
Ismail Dag	Turkish	25	Vehicles	0.5
Gungor Yildiz	Turkish	65	Furniture & Fittings	0
			Pre-expenses	0.215
			Others	0
			Working Capital	0.085
			Total	2.6

Employment	0	Evaluated By	wf officer4
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

Description
 To establish a project for manufacturing water machinery and equipments

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

Decision

APPROVED BY EEO
 Sign: *[Signature]*
 Date: 20/01/14



10/01/2014

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



Ref; APPLICATION FOR CERTIFICATE OF INCENTIVES

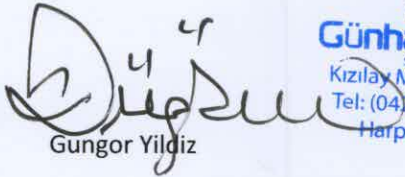
Dear Madame, the caption above refers.

GUNHAN GROUP OF COMPANIES has decided to apply for certificate of Incentive and to register its self with Tanzania investment centre for establishing companies in Tanzania.

For decision reached by the board of directors of GUNHAN GROUP TANZANIA LTD will be very appreciated to be registered with TIC.

Thank you very much for your un seizing cooperation.

Best Regards


Gungor Yildiz

Günhan GÜNGÖRYILDIZ GÜNHAN MAK. SON. MAD. İNŞ.
PET. VE ENERJİ ÜRETİM. TİC. VE SAN. LTD. ŞTİ.
Kızılay Mah. Kazım Karabekir Cad. No: 149
Tel: (0424) 224 18 96 - 224 15 13 ELAZIĞ
Harput Vergi Dairesi: 438 038 5876

GUNHAN GROUP TANZANIA LTD CEO

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF
GUNHAN GROUP TANZANIA LIMITED

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

DRAWN BY:
GUNGOR YILDIZ
(SUBSCRIBER)
P.O BOX 32148
DAR ES SALAAM

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM AND ARTICLES
OF
ASSOCIATION
OF
GUNHAN GROUP TANZANIA LIMITED

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

DRAWN BY:
GUNGOR YILDIZ
(SUBSCRIBER)
P.O BOX 32148
DAR ES SALAAM

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
GUNHAN GROUP TANZANIA LIMITED

TANZANIA
Stamp Duty Shts.
PAID ON ORIGINAL
Receipt No. 40539
08/01/2014
Stamp Duty Officer

TANZANIA
Stamp Duty Shts.
Receipt No. 40539
08/01/2014
Asst. Registrar of Companies

1. The name of the Company is **GUNHAN GROUP 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:-
 - 3.1 To engage and or carry on the business of construction of boreholes for water supply, well drilling, building, installation, maintenance, rehabilitation and generally all engineering services of water well drilling
 - 3.2 To tender for and enter into contracts for the manufacture procurement and supply of all kinds of water well machines, equipment, designs and articles of all kinds and descriptions required or used in the construction equipment or operation of drilling and other rigs used by the water drilling industry or mining industry.

- 3.3 To carry on business in any part of the world as suppliers of all services and materials for use in connection with the well drilling for the production of clean water and other minerals whether on land or at sea
- 3.4 To carry on the business of manufacturers, designers, repairers, installers, merchants, importers, exporters, agent for sale and distributors of and dealers in water processing equipment and purifiers, and water softeners of every description, and all appliances equipment, materials, apparatus, articles and things required for use in connection therewith or in connection with the purifying, filtering, softening, storage and supply of water, and of and in water filtration, sterilization, sedimentation and softening, plant, machinery and materials, and reagent measuring apparatus, wet and dry feeders, zeolite and base exchange plant, heating, chlorinating and ozonizing apparatus of all kinds, importers, manufacturers of and dealers in chemicals, electrical, industrial and other preparation, articles and compounds and minerals, chemists and chemical manufacturers, and to make, build, construct, lay down and maintain water purification plant, reservoirs, waterworks, cisterns, culverts, filter beds, main and other pipes, and appliances, and to execute and do all other work and things necessary or convenient for obtaining storing, selling, delivering, measuring and distributing water.
- 3.5 To carry on the business of manufacturers of, dealers in, repairers, cleaners, stores and warehouses of tractors, heavy equipments, plant and all machinery, motor cars, motor cycles, cyclecars, motors, scooters, cycles, bicycles and carriages, launches, boats, vans, aero planes, hydroplanes and other conveyances of all descriptions (all hereinafter comprised in the term 'motor and other thing') whether propelled or assisted by means of petrol, diesel, spirit, steam, gas, electrical, animal or other power, and of engines, chassis, bodies and other things used for, in, or in connection with motor and other things

- 3.7 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, hire purchase or easy payment system of manufacturers and contractors of articles and goods of all kinds.
- 3.8 To manufacturer, supply, dealer, import, export, buy, sell, let on here, repair alter and deal in machinery, component parts, accessories and fittings of all kinds for construction equipments and other things
- 3.9 To carry on the business as principals, agents or manufacturers, representatives of importing, exporting, buying, selling, distributing of motor vehicles, cars, trucks, lorries, or other vehicles, motor vehicles spares and parts of all descriptions, fuel and other oils, petroleum of all kinds, motor cycles, bicycles, tractors, mining equipments, new and second hand spare parts and accessories and generally to deal in all types of motor spare parts and industrial and agricultural machinery and parts electronic goods and accessories thereof.
- 3.10 To carry on all or any of the trades or businesses of manufacturers, assemblers, of and dealers in and hirers, stockiest, importers, exporters, repaired, modifiers, designers, improvers, reconditioners of machinery, parts, tools, equipment and construction equipments of all kinds and any other businesses incidental to or arising out of, or which can conveniently be carried on in conjunction with such businesses or any of them
- 3.11 To carry on the business of Software designing, development, customization, implementation, maintenance, testing and benchmarking, designing, developing and dealing in computer software and solutions, and to import, export, sell, purchase, distribute, host (in data centres or over the web) or otherwise deal in own and third party computer software packages, programs and solutions, and to provide internet / web based

applications, services and solutions, provide or take up Information technology related assignments on sub-contracting basis, offering services on-site/ offsite or through development centres using owned /hired or third party infrastructure and equipment, providing recruitment and HR related services, providing and taking personnel / consultants/ human resources to / from other organizations, providing solutions/ Packages/ services through applications services provider mode via internet or otherwise, to undertake IT enabled services like call Centre Management, Medical and legal transcription, data processing, Back office processing, Accounting, HR and payroll processing, Insurance claims processing, credit card processing, loans and letters of credit processing, cheque processing, data warehousing and database management, to carry on the business of manufacturing, dealing and maintenance of computer hardware, computer systems and assemble data processors, program designs and to buy, sell or otherwise deal in such hardware and software packages and all types of tabulating machine, accounting machines, calculators, computerized telecommunication systems and network, their components, spare parts, equipments and devices and to carry on the business of establishing, running and managing institutions, school, and academics for imparting education in computer technology, offering equipment, solutions and services for Networking and network management, data centre management and in providing consultancy services in all above mentioned areas.

- 3.12 To let out on hire all or any of the property of the Company (whether real or personal), including every description of apparatus or appliances of the Company.
- 3.13 To carry on business as traders, general merchants stationery, art product whether wholesale, or retail or both, commission agents, importers and exporters, and to buy, sell, hire manufacture plastic

material, recycling of plastic goods, import and export, barter trade, deal in property goods, produce, articles and merchandise of all kinds and transact any and every description of agency, commission, commercial, industrial manufacture, merchandise, insurance and financial business to distribute duty free goods and commodities.

- 3.14 To manufacture of washing power and liquid for normal use and special purpose, buy, sell, and generally deal in any plant, machinery, tools, goods and things of any description which in the opinion of the Company may be conveniently dealt with the Company in connection with any of its objects.
- 3.15 To enter into any contracts in relation to and to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies or persons, works, of all descriptions, including wharves, docks, piers, railways, train ways, waterways, roads, bridges, warehouses, factories, mills, engines, machinery, railway carriages, and wagons, ships and vessels of every description, gas works, power generators, solar systems, electric works, installation and servicing water filter machines water works, , drainage and sewage works and buildings of every description.
- 3.16 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 the above or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.




- 3.17 To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by issue of debenture or debenture stock perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company both present and future including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be
- 3.18 To carry out the business of electrical, mechanical engineers, civil engineers, manufacturers, workers and dealers in electrical apparatus and goods and the manufacture or hire of apparatus or goods to which the application of electricity or any kind of power, or any power that can be used as a substitute therefore, is or may be useful, convenient, or ornamental, or any other business of a like nature.
- 3.19 To engages in and to carry on the business of stationary, publishing, designing, drawing and making layouts for newspapers, advertisement, postages stamps, candendars, magazines, brochures, packages, labels, letter-heads and cinema advertising slides
- 3.20 To apply for, purchase, or otherwise acquire and protect and renew in any part of the world, any patents, brevets invention, trademarks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right 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 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 acquired.

- 3.21 To purchase or otherwise acquire houses, offices, workshops, buildings, and premises, and any fixed and movable machinery, tools, engines, boilers, iron processing plant implements, patterns, stock in trade, patents and patent rights, convenient to be used in or about the trade or business of engineers, founders, smiths or machinists.
To undertake and transact all kind of agency or business which ordinary individuals may legally undertake.
- 3.22 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, the purchase or easy payment system of manufacturers and contractors of articles and goods of all kinds.
- 3.23 To carry on business mining search for gold, white gold, black gold, silver, brass, copper, iron, coal and all other precious metals, rock salt, limestone, chalk, clay ores, oils, precious, and other stones, or deposits or products, and minerals, mines, and grant licenses for mining in or over any lands for building or agricultural use and to sell or otherwise dispose of the lands, mines, or other property of the company.
- 3.24 To carry on business as bankers, industrial bankers, financiers, monetary agents, concessionaires and merchants, and to undertake and carry on and execute all kinds of financial trading and other operations.
- 3.25 To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.

- 3.26 To acquire, and undertake the whole or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of the Company or which is capable of being conducted so as to directly or indirectly benefit the Company.
- 3.27 To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest cooperation, joint adventure or reciprocal concession or for limiting competition with any person or company carrying on or engaged in, or about to carry on or engage in any business or transaction which can be conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- 3.29 To carry on the business of manufacturing, assembling and distribution of all types of electronic products, apparatus, electrical appliances, equipment and computers, word processors, any hardware and software connected with the computer industry and also sale and maintenance thereof.
- 3.30 To carry on business in any part of the world as suppliers of all services and materials for use in connection with the exploration for the production of oil, petroleum, and other rigs used by drilling industry or drilling mining industry whether on land or at sea.
- 3.31 To manufacture, make, design, assemble, repair or maintain calculating machines, household electrical appliances, audio and video electronic equipment, alarm systems, solar systems, power conditioners, air conditioners, power generators, or any accessories or other machines, instrument parts or devices.

- 3.32 To carry on all or any of the business of manufacturers, installers, maintainers, repairers, of and apparatus of every description and if and in radio, television, communication requisites and suppliers, and electrical and electronic apparatus appliances, equipment and stores of all kinds.
- 3.33 To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital shall be made except with the sanction, if any the time being required by law.
- 3.34 To act as agents, or brokers, and as trustees for any person or company and to undertake and perform sub-contracts and 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 jointly with others, and either by or through agents, sub-contractors, trustees or otherwise.
4. The liability of the members is limited.
5. The share capital of the Company is Tanzania Shillings 20,000,000,000/= divided into 100,000 shares Shillings 200,000/=, the Company shall have power from time to time to increase or subject to confirmation by the court reduce its capital into several classes and to attach thereto respectively any preferential or deferred, qualified or special rights, privileges and conditions.

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

NAMES, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
GUNGOR YILDIZ 21,CAD,1424SK NO 8/2 OSTIM O.S.B. YENIMAHALLE,ANKARA TURKEY	65000	
MEDARD KAKIZIBA P.O BOX.32148 DAR ES SALAAM	10000	
ISMAIL DAG ERTUGRUL GAZI MAH MUAMMER AKSOY SOKAK CAGDAS 92 SITESI 86/1 SINCAN-ANKARA, TURKEY	25000	

Dated this 6 Day of Jan 2013

WITNESS to the above Signatures:

Name:

Signature.....

Address:

Qualifications



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
GUNHAN GROUP TANZANIA LIMITED

TANZANIA
Stamp Duty Shts.
PAID ON ORIGINAL
Receipt No. 40339
06/01/2014

TANZANIA
Stamp Duty Shts.
PAID ON ORIGINAL
Receipt No. 40339
06/01/2014

PRELIMINARY

1. In these regulations:-

“The Act” means the Companies Act 2002 of the Laws of Tanzania.

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

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

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

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

PRIVATE COMPANY

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

TRANSFER OF SHARES

3. The Directors may in their discretion and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
 - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every who may desire to sell or transfer any

such shares and every personal representatives of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.

- (c) Upon price of such shares being agreed on a determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

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

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

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

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

6. DIRECTORS

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first Directors of the company:-
 - 1. GUNGOR YILDIZ
 - 2. MEDARD KAKIZIBA
 - 3. TURHAN YILDIZ
 - 4. ISIMAIL DAG

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

BORROWING POWERS

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

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

VOTE OF MEMBERS

12. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the shares of which he is holder.

13. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the Company have been paid.

DISQUALIFICATION OF DIRECTORS

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

S E A L

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

ALTERNATE DIRECTORS

16. Any director shall have power to nominate any person to act or attend as alternate Director during his absence or during his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to the other Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.

17. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

SECRETARY

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

WINDING UP

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

ALTERATION OR ADDITION

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




INDEMNITY

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

ARBITRATION

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

24.

NAMES, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
GUNGOR YILDIZ 21,CAD,1424SK NO 8/2 OSTIM O.S.B. YENIMAHALLE,ANKARA TURKEY	65000	
MEDARD KAKIZIBA P.O BOX.32148 DAR ES SALAAM	10000	
ISMAIL DAG ERTUGRUL GAZI MAH MUAMMER AKSOY SOKAK CAGDAS 92 SITESI 86/1 SINCAN-ANKARA, TURKEY	25000	

Dated this 6 Day of Jan 2014

WITNESS to the above Signatures:

Name:.....
Signature.....
Address:.....
Qualifications.....



GUNHAN GROUP TANZANIA LIMITED

P. O. BOX 32148

DAR ES SALAAM - TANZANIA

BUSINESS PLAN FOR WATER MACHINERY & EQUIPMENTS
PRODUCTION PLANT

Prepared by:

GUNGOR YILDIZ

Page	Contents
03	project features
04	preamble
04	rationality
05	project's objective
06	registration and ownership
06	location
06	need for the project
08	construction
09	implementation plan
09	project investment
10	production process
11	quality assurance
12	products' marketing and distribution
12	project management and manpower
13	workers' welfare
13	financial assumptions
14	turnover
14	profit and loss account
14	operating costs
14	conclusion
14	financial tables

PROJECT FEATURES

Company: Gunhan Group Tanzania Limited

Location: Plot 8,9,10, Pugu Rd

Contacts: P. O. Box 32148, Tel: +255.....

Objective: To construct & operate a plant for Water Machinery and equipments
Production

Financing: Investors' equity USD 2,600,000

Investors: Gungor Yildiz
Medard Kakiziba
Ismail Dag

Benefits: Availability of water equipments, technology transfer, jobs, income

Establishment Time: 3 years

Capacity: **Installed** 14000 Units/year; **Operational** 97% maximum

PREAMBLE

Demand and use of water machinery and equipments has been noted for an above-average lifespan in the world history, which can still be seen today in buildings erected at the time of the Romans. Selecting the right water items as part of the building materials is a decision for life. A modern house must comply with numerous lasting, economic and health demands. Our products will contain the experience and know-how of nearly 200 years. By carefully selecting the raw materials and using the latest production technology, we are able to guarantee a product that will give a modern, fashionable, designable, durable and fancy looking shapes and use to generations.

Water equipments products and the environment

Water equipments products use form the basis for environmentally-conscious buildings of high living standards and are therefore in line with latest trends of modern technology and development. Modern production and installation of water systems ensure that the load on the environment caused by pollution is kept low. This is confirmed in a study commissioned by the WWF about the impact of water infrastructure installations and use on the ecology.

Rationality

The role of industrial made water infrastructure materials is a key determinant of living conditions and standards as they allow people to water services build houses with a guarantee of safe and healthy living; they reduce dry up environmental impacts by increasing water availability other natural materials, at production level they trigger jobs as require human resource to run the factory, they boost the housing construction industry since they are key inputs to it, they increase production time as they bring water closer to users and increase productivity as they make water available to producers. Tanzania is a developing country whose features need combined efforts of the government, private sector, individuals and other stakeholders in support. Through its policies, the government has already made clear to invite both local and foreign investors to provide capital, with assurance that they will provided with conducive

environment for developmental investments, provide investment incentives both fiscal and non-fiscal, protection and all that is necessary for investments growth. Other stakeholders including our company are now ready to cooperate.

Why water machinery and equipments?

For so long water machinery and equipments are part of the building materials carrying spectacular value of incomparable usefulness and attractiveness, by proving themselves with excellent properties of cleanliness, no rust and neatness. From both environmental and economic perspectives, they are still a valuable, healthy and efficient construction material. Even today, the trend is for water machinery and equipments as people search for healthy solutions for their homes. Not only because these product meets all requirements for healthy living, but also because it allows all the wishes of individual, modern architecture to be fulfilled

Report's Objective

This report is documented to show the commercial viability, the operational feasibility and the social economic impact of establishing and operating a factory for manufacturing water machinery and equipments in a Dar es Salaam city. It shows the plan for establishing such a project and then; the financial efficiency, positive environmental impact and benefits borne by the project. It is intended to be submitted to Tanzania Investment Centre for acquiring the Certificate of Incentives, to be submitted to the board of directors for the resources authorization, to guide the project implementers, and be submitted to other stakeholders for the project development.

Project's Objective

The main objective by which this study his presented is to inform all stakeholders on the purposeful and solid intention of our company to establish and operate a plant that will use largely local materials and human labor as its raw materials to produce water related materials especially the machinery and equipments. This is the objective among others with which a company was registered for as per clause No. 3.2 for the

manufacture, procurement and supply of all kinds of water well machines, equipments, recorded in its Articles of Association that was used to register the company. This report gives the first hand information of this company on its intention to manufacture water ware materials as a means to raising living standards of Tanzanians, environmental care (save forests), income generation, and many additional economic benefits to accrue to workers, government and owners.

Registration and Ownership

The company was established in Tanzania after being registered with the registrar of companies on 6th day of January, 2014 as a limited company by liabilities. Its registration number is 104954 and has the authorized share capital of Tshs 20,000,000,000/=. The Company is Limited and is owned and promoted by three shareholders namely:

Shareholders' names
Gungor Yildiz
Medard Kakiziba
Ismail Dag

Location

The site for the project establishment is at, Dar es Salaam City, a land over which the company owns. Since the project is owned by the company, then the project contacts will be of the company.

Need for the Project

This project is needed now and has been purposely planned to mean a lot to both the country of investment and the owners, but huge final benefits to low income earners and environmental protection. Tanzania like any other country has a high rate of poor living housing and possibly irreversible environmental degradation. Part of this environmental degradation is by forests clearance leading to dry lands unfit for living.

Project Support

On merit, the project is highly supported by the national investment promotion policy 2007 and international habitat policy. These policies require and highly recommend the standards of habitat environment for human beings. The human part of us makes it viable that a country like Tanzania is an ideal for us to invest in water ware materials manufacturing so as to make them available, readily and cheaply. Also the country position of having many people living in poor houses with limited access to water is a potential market for our factory products.

Construction

The project planned for this development is a plant capable of copper , iron and aluminum to the end of producing new water ware materials as product for use. The plan will involve construction of structures for:

- i. **Offices:** this will be a two storey building with the first floor containing the main reception, purchases and sales offices. The second floor will be for financial controls and for directors' offices. This structure will require building materials, furniture and electronics.
- ii. **Production:** this will contain four parts. One for materials cleaning and selection, another for grinding, melting and shaping, the other for quality control and lastly the packaging part. This will be the main section of the factory. It will involve construction of shade structures, installation of machinery for materials sorting, moulds, products grading, testing and handling. Also equipments like loaders and conveyor belts will be required here.
- iii. **inventory section:** the plant will have double inventory structures to handle both the raw materials stock and the finished products stock. The structures will require building materials, loaders and fire fighting gears.

- iv. **water reservoirs:** there will be two tanks for clean water storage each with a capacity of 1,000,000 liters. The water is for the factory production use and human use. Building materials and Water pumps will be required for this part of the factory.
- v. **fuel reservoirs:** One tank of 100,000 liters will be constructed to keep the fuel oil while another steel tank of 10,000 Kgs will be installed for gas fuel.
- vi. **Sewage:** the sewage system will be constructed to handle both liquid sewage and solid sewage. There will be a water treatment section where dirty water will be purified and then recycled for reuse in the factory system.
- vii. **Packing:** the packing yard will be a shaded area with a capacity of ten trucks and fifteen cars.
- viii. **Workshop:** the workshop will be for both machinery and vehicles. This will need rear machines, air compressors, vices, welding gears, levels, fixed cranes, etc.
- ix. **Residence:** there will be staff quarters able to accommodate 10 people.

Implementation Plan

Time (Month & Yr)	Activity
2014-2017	Construction
2015-2017	Machinery, generator & Installations
2016-2017	Run test of factory
2017	Adjustments & servicing
2018	Official Opening

The investors are so far committed to fulfill their duties basing on this implementation plan. They are all optimistic on the operationalisation of their idea of this venture. The only limitation that can change the plan is the failure to secure various authoritative licenses on time. This is not the promoters' intention but the experience leant during the feasibility study process which took more than two years and revealed both positive and negative issues around investments.

The assumption is that when most of the main requirements are covered and the permits are in place, the implementation will remain done as planned.

PROJECT INVESTMENT

The planned investment for the project is USD 2,600,000.00, which will be raised by investors as direct equity to the project. Out of that total investment, the value of Fixed Assets will be 2,514,626.00 and the Initial Working Capital will be USD 85,374.00.

The allocation of the investment items is as shown in the table below.

Table 1: Investment Items Allocations

INVESTMENT PLAN	US\$
Building Structure Construction	800,000.00
Equipments & Macinery	1,000,000.00
Vehicles	500,000.00
Others	214,626.00
Initial W/Capital (monthly)	85,374.00
GRAND TOTAL	2,600,000.00

Project Capacity Raw Material

The project is expected to install a capacity of producing 1,400 tons of materials a day, which is 33,600 units 24 days/month. It is argued by evaluators that Dar es Salaam alone needs some 1,000 tons a day.

PRODUCTION PROCESS

The proposed plant will bring together the latest production technologies for a production process of various stages as highlighted below.

- **Disassembly**

As a first step, the assessment of the quality of raw material will be done by experienced engineers and geologists. After that the raw-materials will be laid in layers on stockpile and kept outside for a recommended time period to ensure consistency.

- **Preparation**

The materials will be prepared and made workable in a second step by grinding, mixing, wetting and cleaning to remove foreign materials such as stones.

- **Processing**

At the second stage material will be collected from the stockpile and shoveled into the box feeder. Water, sand and saw dust will be added together in the mixer and will be mixed to the correct consistency. Following, the materials will be fed into the grinder where it will be reduced in size to small granules. A conveyor will transport the ground materials to the material stock. And finally the mixed materials will be dropped into the extruder.

- **Extrusion**

During this step the materials or tile mass will be pushed through a die and then cut into individual product pieces. The clear units are put on pallets and automatically transferred to the Moulder.

- **Moulding**

This step will involve the actual shaping of the materials, where either the prepared material will be pressed through dies by extruders or pressed into forms and made into pressed item. Our in-house die and form manufacturing will allow us to develop our own special product forms and die forms, which will represent the basis for innovative products with new shapes as well as optimized product features.

- **Drying**

Drying will take up to 36 hours for right item and up to 45 hours for thicker. Moisture content will be between 20% to 2%. After the process of drying the units will

automatically be repackaged into a firing setting and automatically transferred to the final machines.

- **Coloring**

After the drying process the right units will remain natural with either pured or galvanized. Galvanized materials will be covered with a very hard continuous layer that closed all pores and makes the materials extremely water-resistant, at the same time this cover layer will give the item its special shiny look.

QUALITY ASSURANCE

Quality is one of the key issues which will have a strong investment fulfillment, because it determines the qualification of the project to keep on producing and gives the plant an assurance of customers' availability with pride of products.

Each individual stage of work at the factory will be subjected to strict quality controls. Local laboratories check the manufacturing process and the quality of our products on an ongoing basis. This is how we shall ensure that each individual unit piece meets all quality standards

The producer/factory will use various known means of public information on the quality standard and the type of a product. Labels and symbol code familiar with a single digit will be applied to allow consumers to differentiate types of products. The factory will operate under the guidance and regulations of the Tanzania Bureau of Standards (TBS)

PRODUCTS' MARKETING AND DISTRIBUTION

The project will market the products to identified customers such construction companies, building big hardware whole selling shops, trade fairs like the Dar es Salaam

International Trade Fair. Also mass media instruments like radios, newspapers and television stations will be used to advertise on the project products to the communities. The distribution of the products will mainly be done either direct to the consumers by the case of contractors and industries with large orders, or to sub-distribution centers like wholesale shops, agents and dealers who will be sought country wide.

PROJECT MANAGEMENT AND MANPOWER

Management: The project will be managed by six key staffs; the management officer will be the Chairperson. Under him/her will be the General Manager, the Chief Engineer, the Production Manager, the Finance Manager and the Marketing Manager

Manpower: The project will have a high tech installment of machinery and new technology application. However due to the activities nature of input sorting and cleaning it will need a lot of manpower. Some 50 People (Tanzanians) will be employed directly and five times of that employed indirectly.

Workers' Welfare

Training: All workers inclusive will benefit from the internal training for proper operations, quality and security observance. There will be out-door trainings for recommended staffs depending on their working requirements. Generally the plant will apply sophisticated machinery of high technology, it is through the trainings that the management team plans to transfer technology and skills to local workers and make sure that foreign workers are employed where inevitable.

Health and Insurance: the project will provide medical treatments to its workers as per country policy requirements and will enroll workers to social security institutions as per the country policy too.

FINANCIAL PROJECTIONS

The project financial projections show a positive trend of investment performance with high returns. Various assumptions of finances have been put forward to allow promoters get a better position of implementing this project.

Financial Assumptions

- The agent commission will be high in the first year to reach the higher sales especially the first month. This is because of costs involved in finding an agent and needs to make his/her working environment right, this agent commission will fall in the following year as soon as this is done.
- The plan is to direct 50 people at a pay an average rate of USD 278 per employee per month and an annual increase of 2% is considered in planning.
- Depreciation for the project purpose is taken on straight line method basis for buildings for building and reducing balance method for all other class of assets, in line with the Income Tax Act 2004.
- The production rate is assumed to start at 85% in the first year, then grow to the maximum of 97% in the project's lifetime.
- Debtors' and creditors' realization periods are considered at one month.
- For projection purposes, a year means 12 months starting from the date of operation and a month within will mean 30 days regardless of the date.
- Taxation rate is adopted at 30%, while SDL and NSSF contributions will be 6% and 10% respectively throughout the projection period of ten years.

Turnover

Commencing with an estimate of 85% production capacity the project expects to earn a turnover of USD 2,628,000.00 in the first year, thereafter the turnover will increase gradually every year to reach USD 4,076,890.00 in year 10.

Profit and Loss Account

In the first year the project estimates the profit earning since the first year of its operation starting at USD 1,214,444.00 in the first year and this will keep on growing till the 10th year when the profit is expected to be USD 2,123,650.00. Let it be noted that the project will have the operating cash profit from the 1st year but accounted loss will arise from substantial depreciation in the assets.

Operating Costs

The major costs of operations will be incurred in the first year because of the unpopularity of the project, thus they are due to the advertisement, sourcing materials, acquiring agents, etc. Once the project is popular (a year later) the costs are assumed to be raising but slower. Reasons for these are costs such as utilities', salaries and maintenance which will almost maintain a certain level of cost especially in the first five years.

CONCLUSION

This project qualifies as the best venture by the investors to them, communities and the country. It is therefore recommended for approval, facilitation and implementation.

FINANCIAL TABLES FOLLOW

**Appendix I
FIGURES IN US\$**

INVESTMENT PLAN

Land & Building	1,466,000.00
Equipments	174,000.00
Vehicles	160,000.00
Furniture & Fitir	714,626.00
Initial W/Capita	85,374.00

GRAND TOTAL 2,600,000.00

**Appendix II
FIGURES IN US\$**

WORKING CAPITAL

<u>YEAR</u>	1	2	3	4	5	6	7	8	9	10
ADMINISTRATIC	893,080	928,574	978,534	1,007,050	825,424	871,844	921,550	974,802	981,884	1,043,104
DEBTORS (5% O	131,400	137,970	144,868	152,112	159,712	167,704	176,088	184,892	194,138	203,844
DAMAGES,SPOII	0	0	0	0	0	0	0	0	0	0
OTHERS	0	0	0	0	0	0	0	0	0	0
TOTAL	1,024,480	1,066,544	1,123,402	1,153,162	985,142	1,039,548	1,097,638	1,159,694	1,176,022	1,246,948

ORKING CAPITAL/MONTH WILL B 42,687

**Appendix III
FIGURE IN US\$**

CASH FLOW

YEAR	1	2	3	4	5	6	7	8	9	10
INFLOW;										
EQUITY	2,600,000	0	0	0	0	0	0	0	0	0
DEPRECIATION	315,000	315,000	315,000	315,000	90,000	90,000	90,000	90,000	40,000	40,000
PRETAX PROFIT	1,734,920	1,830,826	1,918,836	2,035,188	2,368,926	2,482,224	2,600,222	2,723,058	2,900,870	3,033,786
TOTAL INFLOW	4,649,920	2,145,826	2,233,836	2,350,188	2,458,926	2,572,224	2,690,222	2,813,058	2,940,870	3,073,786
OUT FLOW;										
INVESTMENT	2,600,000	0	0	0	0	0	0	0	0	0
CORP.TAX 30%	520,476	549,248	575,650	610,556	710,678	744,668	780,066	816,918	870,260	910,136
TOTAL OUTFLOW	3,120,476	549,248	575,650	610,556	710,678	744,668	780,066	816,918	870,260	910,136
NET	1,529,444	1,596,578	1,658,184	1,739,632	1,748,248	1,827,556	1,910,156	1,996,140	2,070,608	2,208,769
CUMMULATIVE	1,529,444	3,126,022	4,784,208	6,523,838	8,272,086	10,099,644	12,009,798	14,005,940	16,076,548	18,240,198

**Appendix IV
FIGURES IN US\$**

OPERATING COST SCHEDULE

YEAR	1	2	3	4	5	6	7	8	9	10
UTILITIES;										
ELECTRICITY & V	12,000	13,200	14,520	15,972	17,570	19,326	21,258	23,384	25,724	28,296
FIXED/SEMI FIX	0	0	0	0	0	0	0	0	0	0
DEPRECIATION	315,000	315,000	315,000	315,000	90,000	90,000	90,000	90,000	40,000	40,000
ADMINISTRATIVE	0	0	0	0	0	0	0	0	0	0
SALARIES & WAC	166,800	175,140	183,898	193,092	202,746	212,884	223,528	234,704	246,440	258,762
OTHER ADMIN.	399,280	425,234	344,790	482,986	515,108	549,634	586,762	626,712	669,722	716,048
TOTAL	893,080	928,574	978,534	1,007,050	825,424	871,844	921,550	974,802	981,884	1,043,104

PROFIT & LOSS ACCOUNT**Appendix V
FIGURES IN US\$**

YEAR	1	2	3	4	5	6	7	8	9	10
REVENUE	2,628,000	2,759,400	2,897,370	3,042,238	3,194,350	3,354,068	3,521,772	3,697,860	3,882,752	4,076,890
	0	0	0	0	0	0	0	0	0	0
LESS EXPENSES	0	0	0	0	0	0	0	0	0	0
FUEL COST	262,800	275,940	289,738	304,224	319,436	335,406	352,178	369,786	388,276	407,690
SALARIES & WA	166,800	175,140	183,898	193,092	202,746	212,884	223,528	234,704	246,440	258,762
ELECTRICITY & V	12,000	13,200	14,520	15,972	17,570	19,326	21,258	23,384	25,724	28,296
INSURANCE	10,000	11,000	12,100	13,310	14,642	16,106	17,716	19,488	21,436	23,580
BUSINESS TRAVI	10,000	11,000	12,100	13,310	14,642	16,106	17,716	19,488	21,436	23,580
MINOR REPAIRS	1,000	1,100	1,210	1,332	1,464	1,610	1,772	1,948	2,144	2,358
PRINT & STATIO	4,000	4,400	4,840	5,324	5,856	6,442	7,086	7,794	8,574	9,432
TELEPHONE	6,000	6,600	7,260	7,986	8,784	9,664	10,630	11,692	12,862	14,148
NSSF CONTRIBU	16,680	17,514	30,422	19,310	20,274	21,288	22,352	23,470	24,644	25,876
BANK CHARGES	400	440	484	532	586	644	708	780	858	944
BUSINESS LICEN	400	440	484	532	586	644	708	780	858	944
SUNDRY EXPENS	6,000	6,600	7,260	7,986	8,784	9,664	10,630	11,692	12,862	14,148
ADVERTISEMEN	10,000	11,000	12,100	13,310	14,642	16,106	17,716	19,488	21,436	23,580
DIRECTORS REM	72,000	79,200	87,120	95,832	105,416	115,956	127,552	140,348	154,338	169,772
DEPRECIATION	315,000	315,000	315,000	315,000	90,000	90,000	90,000	90,000	40,000	40,000
TOTAL ADMINIS	893,080	928,574	978,534	1,007,050	825,424	871,844	921,550	974,802	981,884	1,043,104
PRETAX PROFIT	1,734,920	1,830,826	1,918,836	2,035,188	2,368,926	2,482,224	2,600,222	2,723,058	2,900,870	3,033,786
CORP. TAX 30 %	520,476	549,248	575,650	610,556	710,678	744,668	780,066	816,918	870,260	910,136
NET PROFIT	1,214,444	1,281,578	1,343,184	1,424,632	1,658,248	1,737,556	1,820,156	1,906,140	2,030,608	2,123,650

Appendix VI
FIGURE IN US\$

BALANCE SHEET

YEAR	1	2	3	4	5	6	7	8	9	10
FIXED ASSETS	2,300,000	1,985,000	1,670,000	1,355,000	1,040,000	950,000	860,000	770,000	680,000	640,000
LESS DEPRECIAT	315,000	315,000	315,000	315,000	90,000	90,000	90,000	90,000	40,000	40,000
NET CURRENT /	1,829,444	2,211,578	2,588,184	2,984,632	3,308,248	3,477,556	3,650,156	3,826,140	3,990,608	4,123,650
TOTAL	3,814,444	3,881,578	3,943,184	4,024,632	4,258,248	4,337,556	4,420,156	4,506,140	3,990,608	4,723,650
	0	0	0	0	0	0	0	0	0	0
REPRESENTED E	0	0	0	0	0	0	0	0	0	0
EQUITY	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
PRETAX PROFIT	1,734,920	1,830,826	1,918,836	#VALUE!	2,368,926	2,482,224	2,600,222	2,723,058	2,900,870	3,033,786
LESS TAXATION	520,476	549,248	575,650	610,556	710,678	744,668	780,066	816,918	870,260	910,136
NET PROFIT	1,214,444	1,281,578	1,343,184	1,424,632	1,658,248	1,737,556	1,820,156	1,906,140	2,030,608	2,123,650
RESERVES	0	1,214,444	2,496,022	3,839,208	5,263,838	6,922,086	8,659,644	10,479,798	12,385,940	14,416,548
TOTAL	3,814,444	3,881,578	3,943,184	4,024,632	4,258,248	4,337,556	4,420,156	4,506,140	4,630,608	4,723,650

Appendix VII
FIGURE IN US\$

NOMIC RATE OF RETURN ON EQ

YEAR	1	2	3	4	5	6	7	8	9	10
PROFIT AFTER T.	1,214,444	1,281,578	1,343,184	1,424,632	1,658,248	1,737,556	1,820,156	1,906,140	2,030,608	2,123,650
EQUITY	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
% RATE OF RETL	47	49	52	55	64	67	70	73	78	82

VALUE ADDED CONTRIBUTION**Appendix VIII
FIGURES IN US\$**

YEAR	1	2	3	4	5	6	7	8	9	10
FIXED ASSETS	2,300,000	1,985,000	1,670,000	1,355,000	1,040,000	950,000	860,000	770,000	680,000	640,000
NET CURRENT /	1,829,444	2,211,578	2,588,184	2,984,632	3,308,248	3,477,556	3,650,156	3,826,140	3,990,608	4,123,650
TOTAL ASSETS	4,129,444	4,196,578	4,258,184	4,339,632	4,348,248	4,427,556	4,510,156	4,596,140	4,670,608	4,763,650
NET WORTH	4,129,444	4,196,578	4,258,184	4,339,632	4,348,248	4,427,556	4,510,156	4,596,140	4,670,608	4,763,650
ADD CONTRIBU'	1,214,444	1,281,578	1,343,184	1,424,632	1,658,248	1,737,556	1,820,156	1,906,140	2,030,608	2,123,650
% OF ADDED CONT. OVER NET WOR	29	31	32	33	38	39	40	41	43	45

PAYBACK PERIOD**Appendix IX
FIGURES IN US\$**

The Cost of the Project including reinvestment divided by Net Profit plus Depreciation

2,600,000.00
1,529,444.00

=

1.70 YEARS

ECONOMIC RATE OF RETURN ON INVESTMENT

Appendix X
FIGURES IN US\$

YEAR	1	2	3	4	5	6	7	8	9	10
PRETAX PROFIT	1,734,920	1830826	1,918,836	2,035,188	2,368,926	2,482,224	2,600,222	2,723,058	2,900,870	3,033,786
TOTAL INVESTM	2,600,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
% RATE OF RETL	67	108	113	120	139	146	153	160	171	178

INTERNAL RATE OF RETURN

**Appendix XI
FIGURES IN US\$**

YEAR	CASHFLOW	DISCOUNT	NPV
		4%	
1	1,529,444	1.923	1,470,620
2	1,596,578	1.8492	1,476,126
3	1,658,184	1.778	1,474,120
4	1,739,632	1.7096	1,487,044
5	1,748,248	1.6438	1,436,932
6	1,827,556	1.5806	1,444,344
7	1,873,304	1.5198	1,423,558
8	1,996,140	1.4614	1,458,560
9	2,070,608	1.4052	1,454,782
10	2,163,650	1.3512	1,461,684
		TOTAL	14,587,770

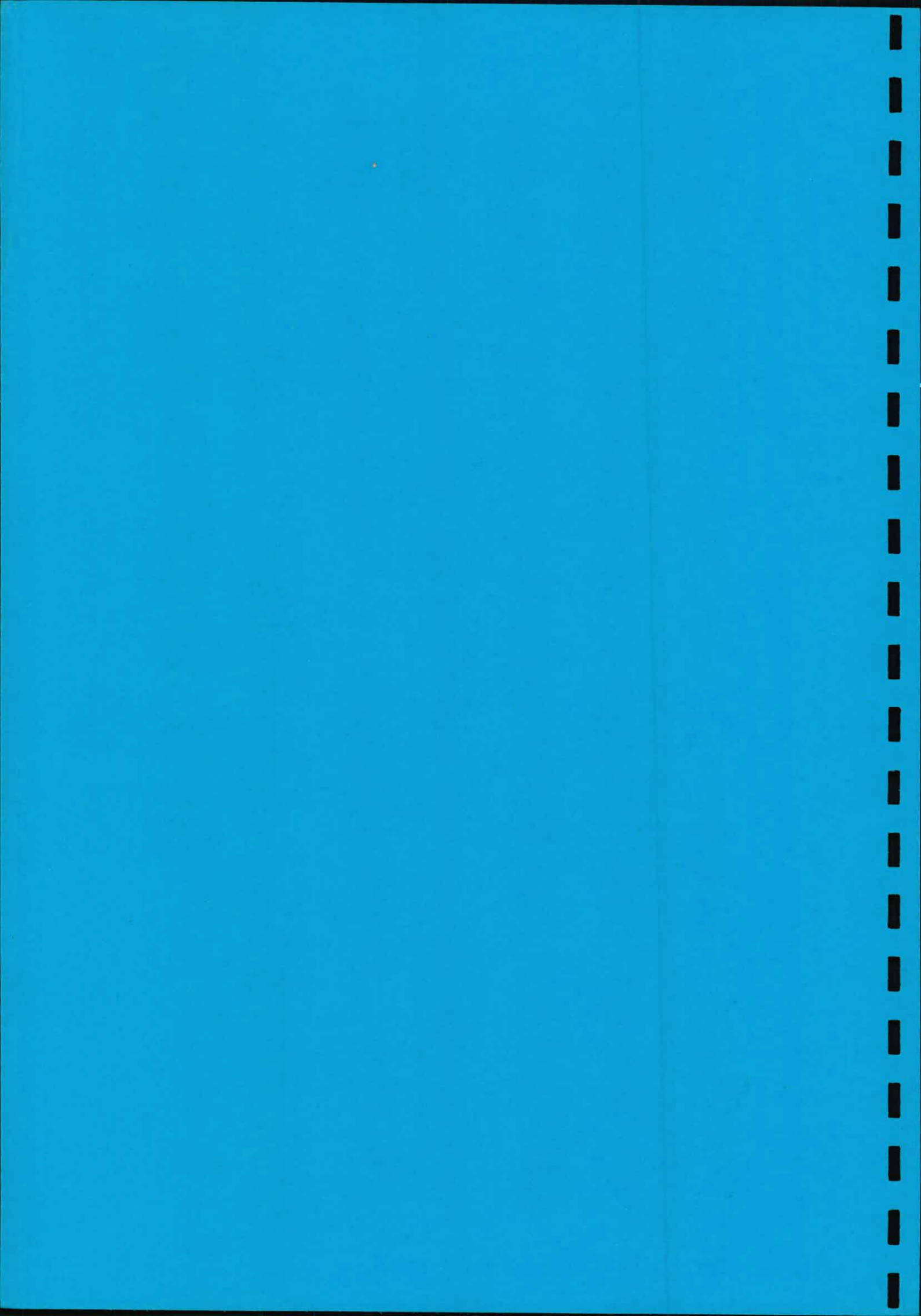
Rate of Return based on Gross Asset Value or Investment of
age Cash Flow for a period of 10 \

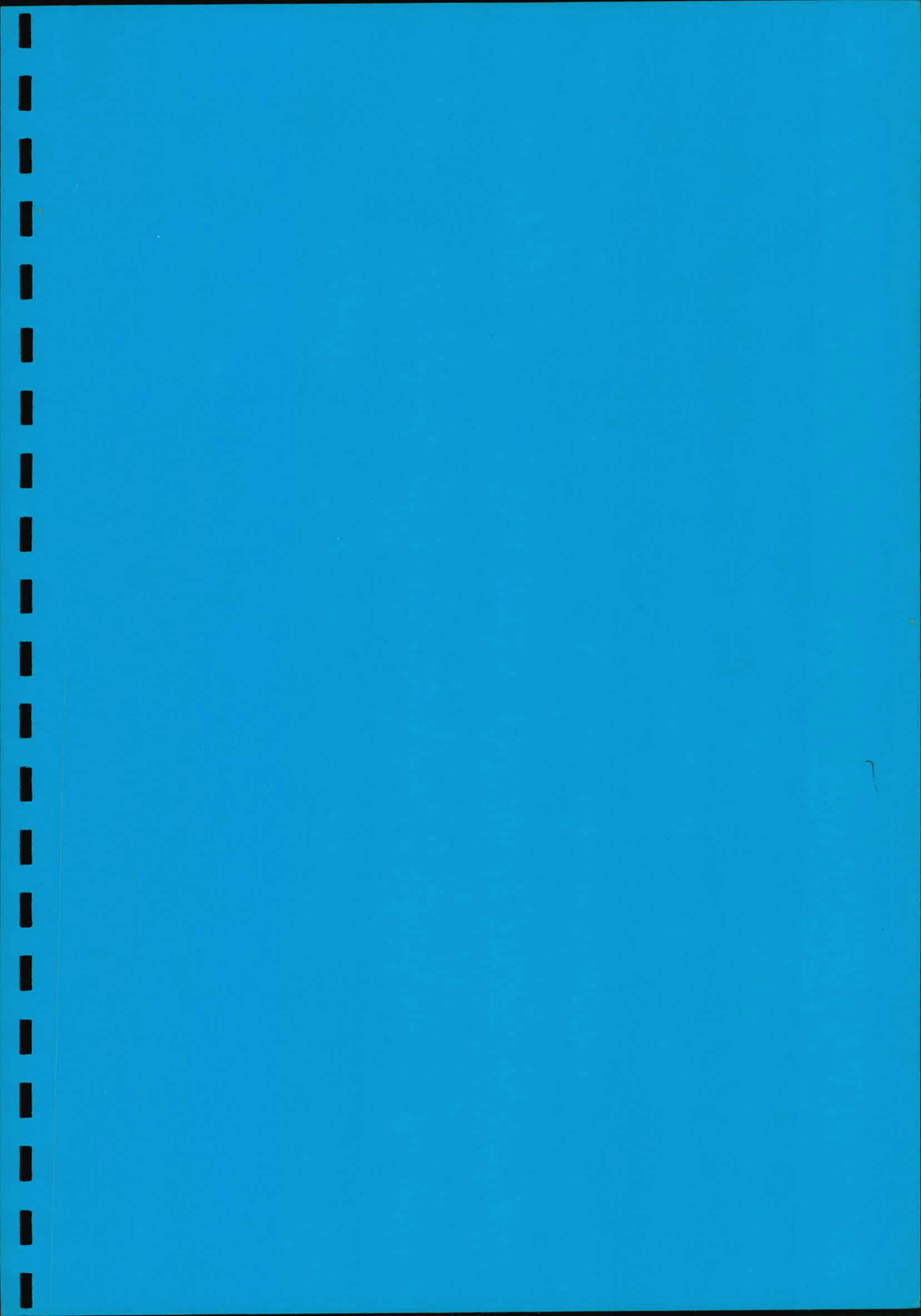
2600000
1458778

Net Cash Flow
Investment

1,458,778
2,600,000

x 100 = 56%





THE REGISTRATION OF DOCUMENTS ACT, CAP. 117 (R.E.2002)

GENERAL POWER OF ATTORNEY

Know all men whom it may concern

I, the undersigned **GUNGOR YILDIZ** the President of **GUNHAN GROUP H.Q.** (Turkish based Company) and the sole representative of the said Company in Tanzania of P.O Box **21 CAD 1414 SOKAK No. 8/2 OSTIM, TURKEY ANKARA.**

WHEREAS, the said Company is intending to open a subsidiary branch in Tanzania to be known as **GUNHAN GROUP TANZANIA LIMITED COMPANY**; this will be dealing with projects relating to tunnels and canalization, dams construction, housing estate, waste water treatment, manufacturing of drilling machines and the like.

WHEREAS, I am currently residing in Turkey and occasionally visit Tanzania, hence during my absence I might personally fail to discharge some of the activities vested to me as a sole representative of the Company.

NOW THEREFORE, I do hereby ordain, nominate, appoint and authorize **MEDARD KAKIZIBA** of P.O Box **32148 DAR ES SALAAM, TANZANIA** to be my true and lawful Attorney and Agent with full power and authority, for me and in my name, and on behalf of the Company **GUNHAN GROUP TANZANIA LIMITED COMPANY** to deal with all my affairs and obligations in respect of representation of the said Company:

AND, in particular to do and execute all and any of the acts and things specified below, namely:

- (i) To do all such acts and/or things as are necessary concerning **GUNHAN GROUP TANZANIA LIMITED COMPANY.**
- (ii) To represent me before any body be it Governmental or Private whereby the representation of the Company is sought.
- (iii) To enter into legal agreements/contracts and MoU's whatsoever in Tanzania on behalf of me with the aim of furnishing Company's obligations.
- (iv) To authenticate and procure legal recognition of these presents in the United Republic of Tanzania.

- (v) In event of any dispute, to take all lawful ways and means for resolving of the same through amicable means and where necessary to use all possible legal channels aiming at resolving the matter at hand by ways such as: prosecution or defending thereof and in my name commence any action or actions, at law or equity in any of the courts in Tanzania.
- (vi) The Principal hereby authorizes and empowers the Attorney to acknowledge in the name and as the act and deed of the Principal this Power of Attorney, and to register and record the same in the proper registry in Tanzania and to procure to be done any and every other act and thing whatsoever, which may be in anyway requisite or proper for authenticating and giving full effect to this Power of Attorney according to the law and usages of Tanzania.

IN WITNESS whereof I have hereto set my hands this 19th day of December 2013

SIGNED and DELIVERED by the said EDGAR MBANO who is known to me personally/identified to me by..... the latter being known to me personally this 19th day of December 2013]

Günhan GÜNGÖR YILDIZ GÜNHAN İYİK, SOY. İMZA VE
 PET. VE ENERJİ, İNŞAAT, TİC. VE SAN. BİRLİĞİ
 Kızılay Mah. Kazım Karabekir Cad. No: 12
 Harbiye/Beşiktaş/İstanbul
 Tel: (0212) 211 898 221 812 11 421
 Harbiye/Beşiktaş/İstanbul
 Faks: (0212) 438 038 5876
DEPONENT

BEFORE ME:

Signature: [Signature]

Name: I. L. NDEMELA

Address: 35904, D'SALAAM

Qualification: ADVOCATE



LEASE AGREEMENT

THIS LEASE Agreement is made this 21st day of December, 2013.

BETWEEN

AMELIA NJENGA of plot No. 173, Block 'F', Msasani, P.O. Box 32148, Dar es Salaam {hereinafter referred as the "Lessor"} of the ONE PART

And

GUNHAN GROUP TANZANIA LTD, Dar es Salaam {hereinafter referred to as "the Lessee"} of the OTHER PART.

WHEREAS the Lessor is a lawful owner and sufficiently entitled to the House (commonly referred as Plot No 173,Block "F" Msasani Area, Kinondoni District, in the Dar es Salaam region)

AND WHEREAS the said Lessor is desirous of leasing a demised premises to the lessee on the terms and conditions as they shall appear herein below and the Lessee is desirous of being accorded with such status and agrees to accept the same strictly on terms and conditions herein set forth.

AND WHEREAS FURTHER ,always in this agreement unless otherwise expressly provided, the term "demised premises "shall mean and be construed only to mean the ONE room leased to the lessee

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. In consideration of the rent hereby reserved and the Lessee and Lessor covenants hereinafter mentioned, the Lessor hereby demises unto the Lessee the demised premises, to hold the same (and its successors and/or assignees) for a period of one (1) year from 21ST December, 2013 on a monthly rent of USD 300(three hundreds United States dollars) ,payable EVERY TWO MONTH in advance and the lease will expire on 20th December 2014.

AN. 

2. THE LESSEE HEREBY COVENANTS with the Lessor:

- (a) To pay during the said term hereby created the said reserved rent on the days and in the manner aforesaid;
- (b) To use the demised premises only for office purposes.
- (c) To pay for all charges in respect of water, electricity, telephone, garbage disposal, etc. (including meter rents, if any) in connection with the demised premises during the said term;
- (d) To keep and maintain the state of the demised premises and appurtenances thereof including the doors, windows, fixtures, fittings, fastenings, wires, waste drains, water drains or other pipes, sanitary and water apparatus in a good condition;
- (e) To permit the Lessor and or with his representative at all reasonable times of the day and upon not less than 24 hours notice to inspect or carry out repairs or for other works in connection with the demised premises.
- (f) To allow the Lessor undertake construction within the surrounding of the building and which construction shall not touch the room leased to the lessee.
- (g) Save with the previous consent in writing of the Lessor, not to erect or cause to be erected on the adjacent or otherwise ,within demised premises any additional structure or fittings whether permanent or temporary thereto, or to cut, maim, injure or to allow to be cut, maimed or injured any of the structures, fittings and fixtures;
- (h) Save with the consent of the Lessor, not to assign sublet or part with possession of the demised premises or any part thereof;
- (i) No to do or permit to be done any act otherwise than the lease purposes herein upon the demised premises or any part thereof which

AN

Q

may be or become a nuisance, annoyance, damage or inconvenience to the Land lord, occupiers of adjoining property or the neighborhood;

- (j) To comply with all the Municipal and Health regulations relating to the demised premises;

3. **AND THE LANDLOARD HEREBY COVENANTS WITH LESSEE** as follows:

- (a) Subject to the Lessee performing all the covenants herein above specified, not to interfere or allow other persons rightfully claiming under or the trust for the Lessor to interfere, interrupt or intrude upon the Lessee's peaceful enjoyment of the demised premises throughout the said term;

- (b) To pay and discharge all rates, taxes, assessments, impositions, duties, withholding taxes, charges and any other levies imposed by the Government Municipal Council or other authority in relation to the demised premises;

- (c) To maintain the interior and exterior parts of the building together with the surroundings of the demised premises. The obligation shall include the carrying out of repairs where required and generally to remedy any major or structural fault or faults or construction affecting the convenient and proper use or occupation thereof provided that such faults are not attributable to neglect on the part of the lessee, his agents or employees for which expense the Lessor shall be entitled to be compensated by the Lessee.

4. **PROVIDE ALWAYS** and it is hereby expressly agreed and declared that:

- (a) The rent shall not be reviewed within the term of the lease, but may be increased or reduced on the expiry of the lease and upon entering into a new lease or extending the term of the present lease;

AN

W

(b) If at any time during the term of the lease for the demised premises or any part thereof shall be destroyed or damaged by fire (not occasioned by the willful act, neglect or default of the Lessee or his licensees, invitees, visitors or servants) or act of God or force majeure, then the rent hereinbefore reserved or a fair and just proportion thereof according to the nature and extent of the injury sustained shall cease and be suspended during and so long as the premises hereby demised or the destroyed or damaged part shall remain inhabitable or unfit for use by reason of such destruction or damage;

(c) Each party may terminate this agreement at any time in the manner herein stipulated, say if the Lessee desire to vacate the demised premises during the continuance of the lease the Lessee shall give a three (3) months written notice signifying such intention -or; pay one (1) month rent in lieu of notice. The Lessor may also issue a three month notice to the lessee of the intention to terminate the lease. Upon expiry of the notice, the lease shall be terminated;

(d) This Agreement shall subject to new terms as to rents or otherwise to be mutually agreed upon by both parties, be renewed by the lessee's three months written notice prior the lease expiry term addressed to the lessor signifying his intention to renew the lease. And it is hereby expressly provided that shall the lessee fail to acknowledge such intention the lease shall at the expiry of the lease term, be deemed to have been terminated without an option to renew, and the lessee shall immediately upon expiry of the lease term herein above provided vacate the demised premises.

5. Any dispute or difference whatsoever which shall at any time hereafter whether during the continuance of the lease or upon its expiry be resolved according to the Laws of the United Republic of Tanzania.

The Lessor and the Lessee have put their respective signatures on the original and duplicate thereof in the day month and year hereinbefore appearing. .

AN



[Signature]
LESSOR

[Signature]
GUPKAT (K) DIZ GÜNHAN MAK. SAN. MAD. İHS.
Kızılay Mah. K...
Tel: (0424) 224 18 96 - 224 15 13 ELAZIG
Harput Vergi Dairesi: 438 038 5876

Lessor's Witness

Name: Simon Rabson Beehwe
Signature: *[Signature]*
Postal Address: P.O. Box 11400



Lessee's Witness

Name: Simon Rabson Beehwe
Signature: *[Signature]*
postal address: P.O. Box 11400, DSM



STAMP DUTY
Shs. USD 36
02999572
[Signature] 8/1/2014
Regional - Manager K... ..

Collect

Stamp duty 1/3 = USD 36

WHT 10% = 60 USD

96 USD

AN

[Handwritten mark]

[Handwritten mark]



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 GUNGOR YILDIZ
(director/directors/agent of GUNHAN GROUP TANZANIA LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at MSASANI

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 MSASANI
4. The Principal Officers of the Company are
1. GUNGOR YILDIZ
2. ISMAIL DAG 3. MEDARD WAKIZIBA
5. Auditors of the Company are
6. The authorized share capital of the Company is Tshs./US\$ 20,000,000.00/-
DIVIDED INTO 100,000 SHARES OF
TSHS. 200,000/- EACH.

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 2,600,000
8. The month and day of the financial year end is 31ST DECEMBER

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

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

I, GUNGOR YILDIZ of Post Office Number Box

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

authorized agent of GUNHAM GROUP TANZANIA LTD

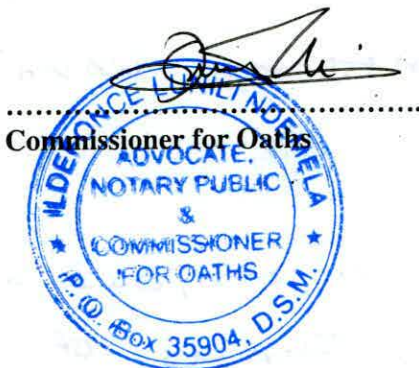
AND that all the requirements of the Tanzania Investment Act, 1997 in respect of matters precedent to the registration of the business enterprise under the Act and incidental thereto have been complied with, AND I make this solemn declaration conscientiously believing the same to be true.

Declared at Dar es Salaam } Digson

The 10TH day of JAN 2014 }

Applicant

Before me:



APPLICATION SUMMARY

Company Name: GUNHAN GROUP TANZANIA LTD

Certificate of Incorporation Number: 104954 Status: PRIVATE LTD COMPANY

Certificate of Incorporation Date: 06/1/2014

Post Box: 32148

Town: DSM

Sector: MANUFACTURING Sub-Sector: PLANT & MACHINERY ASSEMBLING

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan

Initial of

Project Objectives: ESTABLISHING AND OPERATING A PROJECT FOR MANUFACTURING OF MACHINERY FOR CONSTRUCTION, MINING, DRILLING & WATER

Capacity:

Employment: Foreign: Local: Total:

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.:

Street: MSASANI District: KINSHANJA Region: DSM (Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %

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

Land/Building 800,000
Plant 1,000,000
Vehicles 500,000
Furniture & Fittings -
Pre-expenses 214,626
Others -
Working Capital 85,374
TOTAL	USD \$ 2,600,000

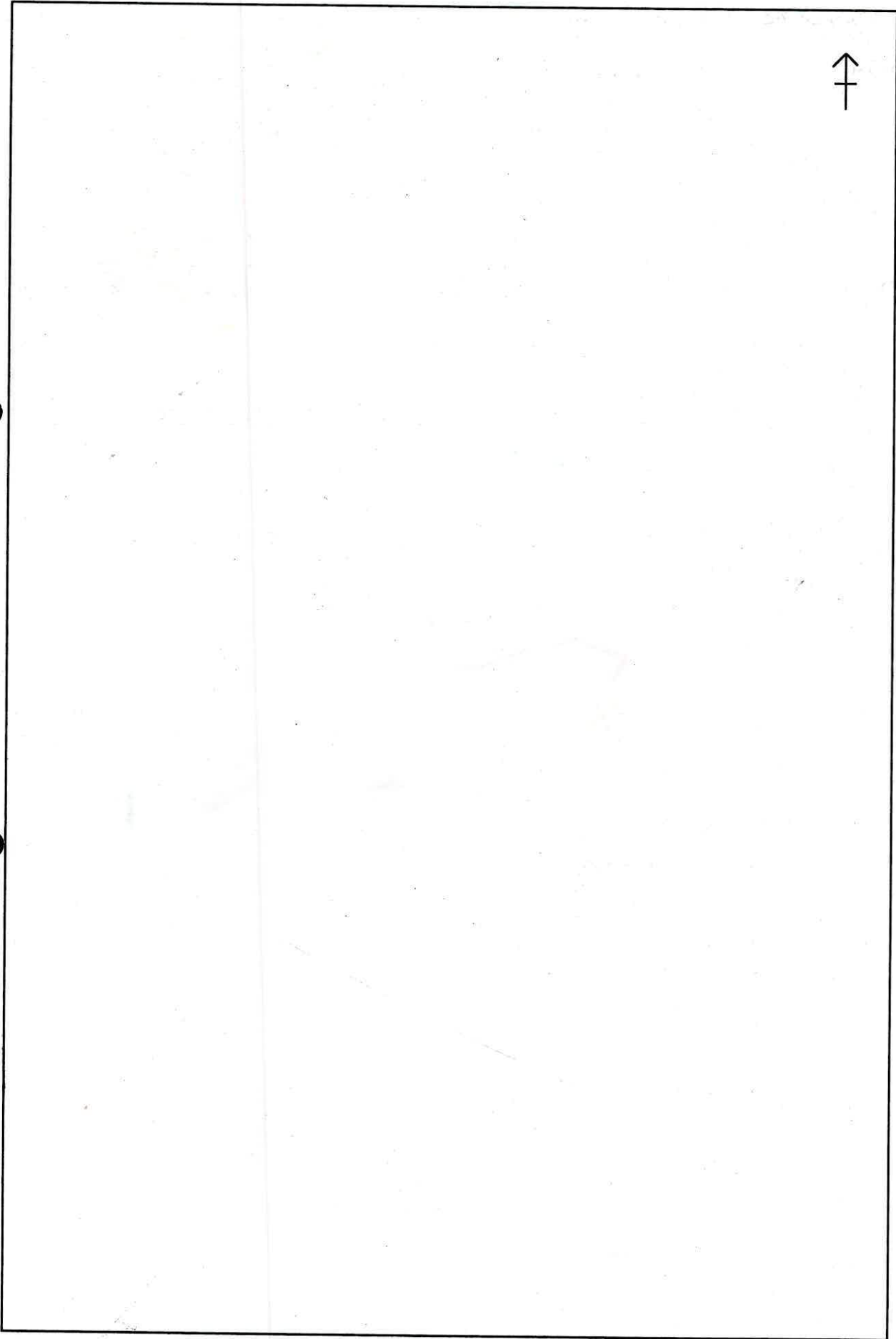
Contact Details:

Name: GUNGOR YILDIZ Title: M/D
Telephone: +255687000070 Fax:
Email: g.yildiz@gunhargroup.com

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





TIC Evaluation Report

Name of the Company
Gunhan Group Tanzania Ltd.

Post Box	Msasani	COI Number	104954	Contact	Mr. Gungor Yildiz
Post Office	32148	COI Date	01/06/2014	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	11606	Phone	0
Country	Tanzania	Status		Direct Phone	0
		Sector	Manufacturing	Cell Phone	0687 000070
		Sub Sector	Assembling Plant	Fax	0
		File No	042593	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	msasani	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	0	2.6	0	0	0
District	Kinondoni				
Region	Dar es Salaam				

Shareholders Detail		
Name	Nationality	(%)
Medad Kakizibar	Tanzanian	10
Ismail Dag	Turkish	25
Gungor Yildiz	Turkish	65

Investment Breakdown (USD Million)	
Land/Building	0.8
Plant	1
Vehicles	0.5
Furniture & Fittings	0
Pre-expenses	0.215
Others	0
Working Capital	0.085
Total	2.6

Employment	5	Evaluated By	wf officer4
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

Description

To establish a project for assembling of water machinery and equipments

Recommendations

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

Decision