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TANZANIA INVESTMENT CENTRE

DIRECTORATE OF INVESTMENT FACILITATION



EASTERN ZONE

**REPORT OF THE PROJECT VISIT TO M/S KEDS TANZANIA COMPANY LIMITED
ON**

22nd DECEMBER, 2020

DECEMBER, 2020

4	Contact Person	Denis Hyera
5	Incorporation	Certificate of Incorporation No. 124-754
6	TIN	129-565-500
7	Project Objective	Manufacturing of washing powder

5.0 PROJECT PERFORMANCE

The following is the summary of project performance up to the December 2020

S/N	Information	Description	Status	
1	Investment Financing in (USD) (as per Nov 2020)	Financing Type	Amount	Source country
		Shareholders loan (Foreign)	USD 11,806,000 million	
2	Production Capacity	30,000 tons per year		
3	Direct Employment	Foreign	Men: 12	
			Women: 2	
		Local	Men: 133	
			Women: 70	

6.0 OVERALL ACHIEVEMENTS AND FUTURE PLAN

6.1 ACHIEVEMENTS

- (i) Establishment of washing powder factory with capacity of 30000 tons per year.
- (ii) Direct employment of 163 local employees.



Additional 20,000 tons capacity washing powder project in progress



Storage of final products

In that duration of operating, they noticed their products were insufficient for the existing demand. On their way to extend the production to meet their target they faced delays as described in the challenges however their requests became approved later.

By the above remarks, we propose extension for the Certificate of Incentives No. 043073 should be approved.

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Ms. Julie Muro



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Mr. Steven Mkama



.....

Mr. Leonard Mapunda

**Standard Chartered
Facility Letter (Uncommitted)
(Tanzania)**

12th November, 2019

Our Ref: CRC/KTCL/10693771/RC/SN

CONFIDENTIAL

Keds Tanzania Company Limited
Morogoro Road, Plot no. 3,
P.O Box 61724,
Dar Es Salaam, Tanzania.
(Company Number 124754)
(the "Designated Borrower")

Dear Sirs,

We Standard Chartered Bank Tanzania Limited (the "Bank") are pleased to offer you the facilities (the "Facilities") subject to the terms and conditions set out in this facility letter (the "Facility Letter"), relevant terms and conditions of the General Banking Terms and Conditions (the "CB Booklet") (as updated by us from time to time, the latest version available on our website (www.sc.com/commercial/booklet)), the Regulatory Compliance Statement (as set out in the CB Booklet), and other relevant documents provided to you (together the "Facility Agreement").

Subject to our right in our absolute discretion to accept the Facility Letter on a later date, the Facility Letter will lapse by close of business on the date falling 30 Banking Days after the date of the Facility Letter (or such other period notified by us) and will have no further effect unless it is countersigned by you and received by us before that time at:

Standard Chartered Bank Tanzania Limited,
International House,
P.O Box 9011,
Dar Es Salaam, Tanzania

Terms not defined in this Facility Letter are defined in the CB Booklet.

for and on behalf of

Standard Chartered Bank Tanzania Limited

Full name

BE OG RATIAS SHIRIMA

Title

RELATIONSHIP MANAGER

Date

Signature



for and on behalf of

Standard Chartered Bank Tanzania Limited

Full name

LEWIS MLAY

Title

HEAD OF SALES

Date

Signature



Keds Tanzania Company Limited

Standard Chartered

Facility Letter (Uncommitted) – Tanzania

We accept your offer to make available to us each Facility described in the Facility Agreement and agree to be bound by the terms of the Facility Agreement.

for and on behalf of
Keds Tanzania Company Limited
Full name

Luo Jichao

Title / Position

DIRECTOR

Date

20th DEC 2019

Signature

Luo Jichao

for and on behalf of
Keds Tanzania Company Limited
Full name

Wu Weizao

Title / Position

DIRECTOR

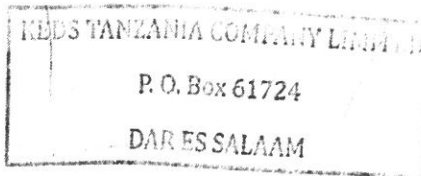
Date

20th DEC 2019

Signature

Wu Weizao

SEAL/STAMP



Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

1. Borrower(s)

1.1 The entity listed in column (1) of the table below will be referred to as the "Borrower".

1.2 The Borrower will enter or accede to the Facility Agreement in a manner satisfactory to us.

(1)	(2)	(3)
Name of company and company / registration number	Jurisdiction of incorporation	Registered address
Keds Tanzania Company Limited (Company number 124754) ("Designated Borrower")	United Republic of Tanzania	The Building located along Morogoro Road, Plot no. 3, Ubungo, P.O Box 61724, Dar Es Salaam, Tanzania

2. Facilities

2.1 General Banking Facilities

(a) Designated Facility Limits and Designated Sub-limits

Designated Sub-limits: In addition to your Designated Facility Limit, we may also offer you a Facility which has a Designated Sub-limit. We may also offer an "inner" facility limit indicated under the Designated Facility Limit. An "inner" facility limit will be set out in your Facility Letter within brackets.

What does this mean? An "inner" facility limit does not increase the Total Facility Limits. It allows borrowers to efficiently utilise different facilities they may have with us. For example, any unutilised portion of a "Short Term Loan" facility limit may be utilised under an "Overdraft" facility limit. The total amount the borrowers may utilise should not exceed the Total Facility Limits.

(1)	(2)	(3)
Type(s) of Facility	Designated Facility Limit(s)	Borrower(s) and Designated Sub-limit(s), if applicable
1. Import Letter of Credit (Secured)	USD 5,000,000	• Keds Tanzania Company Limited
2. Overdraft Facility (Inner to facility no. 1 above)	(USD 1,000,000)	• Keds Tanzania Company Limited
3. Import Loan Facility (Inner to facility no. 1 above)	(USD 500,000)	• Keds Tanzania Company Limited
4. Import Invoice Financing Facility (Inner to facility no. 1 above)	(USD 500,000)	• Keds Tanzania Company Limited
Total Facility Limits	USD 5,000,000	

(b) Designated Combined Facility Limits

The total aggregate amount you may utilise under the Facility Limits of the types of Facility specified in Column (1) in aggregate shall not exceed the corresponding Designated Combined Facility Limit in Column (2).

Type(s) of Facility	Designated Combined Facility Limit
Facility no. 1, 2, 3 and 4	USD 5,000,000

Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

3. Pricing and Conditions

Any reference to a Borrower under this section is a reference to each Borrower of the relevant Facility specified in Clause 2 (Facilities) of the Facility Letter.

Type(s) of Facility	Terms and conditions
1. Import Letter of Credit - Secured Facility	<p>Amount: USD 5,000,000</p> <p>Purpose: For issuance of letters of credit covering the import of goods on the following terms: Drafts and/ or documents payable at sight or usance.</p> <p>Tenor: 180 days.</p> <p>Commission: 0.35% per quarter hence for 1 year is equal to 1.4%</p> <p>Limit Specific Terms and Conditions:</p> <p>1. Facility is approved to be used by the client to facilitate importation of raw materials from:</p> <ul style="list-style-type: none"> (i) SENYANG LIMITED (ii) 21ST CENTURY TEXTILE LTD (iii) AL HATHIMY ENTERPRISES LIMITED (iv) WANGS PRINTING AND PACKAGING COMPANY LIMITED (v) HUIJIN BUILDING MATERIALS COMPANY LIMITED (vi) CHANG CHUN INTERNATIONAL CO. LTD (vii) XINFEI BUILDING MATERIALS CO LTD (viii) ZHANGSONG INTERNATIONAL LIMITED (ix) ENTA PLASTICS LIMITED (x) 21 CENTURY TRADING LIMITED
2. Overdraft Facility (Inner to facility no. 1 above)	<p>Amount: (USD 1,000,000)</p> <p>Purpose: For general corporate purposes and/ or working capital requirements.</p> <p>Tenor: 1 Day.</p> <p>Pricing: USD: 6 Months Libor + 4.5% per annum (to be fixed at 6.5% per annum in as far as 6 Months Libor is less than 1.5%) TZS: 62 Days T-bill + 6% per annum</p> <p>Clean Up: Facility to swing to credit regularly at least once per quarter.</p> <p>Interest Payment Date (s): Monthly in arrears.</p> <p>Availability period: The facility is available from date of acceptance until 30/09/2020.</p>
3. Import Loan Facility (Inner to facility no. 1 above)	<p>Amount: (USD 500,000)</p> <p>Purpose: To cover the release of goods imported by the borrower under, and in relation to Letter of credit issued by the Bank/ Import bills for collection handled by the Bank.</p> <p>Tenor: 60 Days</p>

Handwritten signatures and initials.

Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

Type(s) of Facility	Terms and conditions
	<p>Pricing: 3 Months Libor + 4.5% per annum (to be fixed at 6% per annum in as far as 3 Months Libor is less than 1.5)</p> <p>Interest Payment Date (s): At the end of financing term agreed between the Borrower and the Bank.</p> <p>Limit Specific Terms and Conditions:</p> <ol style="list-style-type: none"> Facility to be used to finance matured Letter of Credit. Tenor is kept at 60 days from drawdown date. Suppliers: <ul style="list-style-type: none"> (i) ENTAZA PLASTICS LIMITED (ii) 21ST CENTURY TEXTILE LTD (iii) AL-HATIMY ENTERPRISES LIMITED (iv) WANDE PRINTING AND PACKAGING COMPANY LIMITED (v) HUN KUN TUAN BUILDING MATERIALS COMPANY LIMITED (vi) CHANG CHUN INTERNATIONAL CO. LTD (vii) XINFEI BUILDING MATERIALS CO LTD (viii) KAI SONG INTERNATIONAL LIMITED (ix) CN CENTURY TRADING LIMITED
<p>4. Import Invoice Financing Facility (Inner to facility no. 1 above)</p>	<p>Amount: (USD 500,000)</p> <p>Purpose: For financing purchase by the Borrower from its Seller as evidenced by the Seller's invoice to the Borrower.</p> <p>Tenor: 180 days</p> <p>Pricing: USD: 6 Months Libor + 4.5% per annum (to be fixed at 6% per annum in as far as 6 Months Libor is less than 1.5) TZS: 182 Days T-Bill + 5% per annum for paying of duties (import and exercise duties on importation)</p> <p>Interest Payment Date (s): At the end of financing term agreed between the Borrower and the Bank.</p> <p>Limit Specific Terms and Conditions:</p> <ol style="list-style-type: none"> Facility is also available in TZS No related parties to be allowed for the Facility. Tenor to be counted from Invoice date. Suppliers: <ul style="list-style-type: none"> (i) ENTAZA PLASTICS LIMITED (ii) 21ST CENTURY TEXTILE LTD (iii) AL-HATIMY ENTERPRISES LIMITED (iv) WANDE PRINTING AND PACKAGING COMPANY LIMITED (v) HUN KUN TUAN BUILDING MATERIALS COMPANY LIMITED (vi) CHANG CHUN INTERNATIONAL CO. LTD (vii) XINFEI BUILDING MATERIALS CO LTD (viii) KAI SONG INTERNATIONAL LIMITED (ix) CN CENTURY TRADING LIMITED

Handwritten signatures and initials.

Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

4. Fees

Fee:	Arrangement Fee: [redacted] of the facility amount (on Import Letter of Credit - Secured Facility) per annum
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5. Contact Details

5.1 Contact details for us

Name and Title	Address Telephone No. Fax No. Email
Rosemary Chambi Relationship Manager	Tel + 255 (0) 22 216 4834
Stephen Mkingwa Head -Credit Risk Control	Tel + 255 (0) 22 216 4843

5.2 Contact details for the Designated Borrower

Name and Title	Address Telephone No. Fax No. Email
Keds Tanzania Company Limited The Building located along Morogoro Road, Plot no. 3, Ubungo, P.O Box 61724, Dar Es Salaam, Tanzania	Email: zhangning@sunda.com Telephone: +255769801468

5.3 Contact details for the process agent (where required by us, and appointed pursuant to Part A, Clause 13.13 of the CB Booklet)

Name and Title	Address Telephone No. Fax No. Email
N/A	N/A

6. Definitions

6.1 In the Facility Agreement, unless the context otherwise requires:

"Additional Conditions Precedent"	means the following additional documents and evidence both in form and substance satisfactory to us: N/A
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Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

"Amendment Fee"	where set out in the Facility Agreement, is an upfront fee payable by the Borrower to the Bank to compensate the Bank for the costs associated with amending the Facility Agreement.															
"Arrangement Fee"	where set out in the Facility Agreement, is an upfront fee payable by the Borrower to the Bank to compensate the Bank for arranging the Facility.															
"Base Currency"	means for each Facility, the currency in which the Designated Facility Limits of that Facility is denominated as specified in Clause 2 (Facility) of this Facility Letter.															
"Collateral Documents"	<p>means any document identified below and] any other document executed or to be executed by an Obligor in favour of us which grants, creates or evidences any guarantee, Security Interest, netting or other arrangement in respect of any Borrower's obligations under the Finance Documents, each in form and substance satisfactory to us:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>Description</th> <th>Obligor(s)</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Corporate Guarantee to secure the sum of USD 6,250,000.</td> <td>Sunda (T) Investment Company Limited</td> </tr> <tr> <td>2.</td> <td>Corporate Guarantee to secure the sum of USD 6,250,000</td> <td>Houssani Co Ltd</td> </tr> <tr> <td>3. ✓</td> <td>Second Rank Legal Mortgage charge over the derivative Title for properties located on Plot no. 197, Plot 199, Plot no. 201, Plot no. 203, Plot no. 205, Plot 593 and Plot 594 Kibaha Industrial Area, Kibaha Township, Pwani region, comprised under CT No. 157839-MG, CT No. 157840/1-MG and CT No. 157838/1-MG to be registered to secure the sum of USD 6,250,000</td> <td>Keds Tanzania Company Limited</td> </tr> <tr> <td>4.</td> <td>Debenture charge over the Company's assets to be registered to cover the working capital facilities by securing the sum of USD 6,250,000 to be shared on pari-passu basis with Barclays Bank.</td> <td>Keds Tanzania Company Limited</td> </tr> </tbody> </table>	Item	Description	Obligor(s)	1.	Corporate Guarantee to secure the sum of USD 6,250,000.	Sunda (T) Investment Company Limited	2.	Corporate Guarantee to secure the sum of USD 6,250,000	Houssani Co Ltd	3. ✓	Second Rank Legal Mortgage charge over the derivative Title for properties located on Plot no. 197, Plot 199, Plot no. 201, Plot no. 203, Plot no. 205, Plot 593 and Plot 594 Kibaha Industrial Area, Kibaha Township, Pwani region, comprised under CT No. 157839-MG, CT No. 157840/1-MG and CT No. 157838/1-MG to be registered to secure the sum of USD 6,250,000	Keds Tanzania Company Limited	4.	Debenture charge over the Company's assets to be registered to cover the working capital facilities by securing the sum of USD 6,250,000 to be shared on pari-passu basis with Barclays Bank.	Keds Tanzania Company Limited
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"Cost of Funds"	means the percentage rate per annum of our cost of funding a utilisation under a Facility.															
"Default Rate"	means 2% per annum higher than the rate of interest applicable to the amount payable which would have been applied to the amount had such amount not become due, or such rate as advised by us to you from time to time.															
"Financial Covenants"	N/A															
"Financial Documents"	means the agreement, any Collateral Document, any Utilisation Request, any document identified as such in the Facility Letter and any other document designated as such by us and any Group member from time to time.															
"Financial Statements"	<ul style="list-style-type: none"> (i) Audited Financial Statements to be provided within 6 months of the financial year end including those of guarantors and consolidated financials of the parent entity. (ii) Submission of Quarterly Management Accounts together with aged debtors and creditors listings and inventory listings and inventory listing to be provided within 45 days of every quarter end. 															
"Interest Payment Date"	means such interest payment date as may be specified against the applicable Facility in Clause 3 (Pricing and Conditions) of this Facility Letter.															
"Interest Period"	means such interest period as may be specified against the applicable Facility in Clause 3 (Pricing and Conditions) of this Facility Letter.															
"Obligor"	means each Borrower and any person providing a guarantee of and/or Security Interest for the obligations of any Borrower and/or any other person identified as an obligor under the finance documents.															

Keds Tanzania Company Limited

Facility Letter (Uncommitted) – Tanzania

"Parent"	N/A
"Prepayment Fee"	where set out in the Facility Agreement, is a fee payable by the Borrower(s) to the Bank to compensate the Bank for the costs (other than Break Costs) associated with the Facility having a shorter then contemplated maturity if a Borrower decides to voluntarily prepay all or part of any Facility.
"Security Interest"	means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation or any other agreement or arrangement having a similar effect.
"Spot Rate"	means at any date our spot rate of exchange for the purchase of the relevant currency in the Tanzania foreign exchange market at around 11:00 am Dar es Salaam time using the Base Currency for the relevant Facility.

7. Additional Conditions

7.1 Clauses to be added, deleted or amended in the Facility Agreement

Utilisation specific conditions precedent: The following are utilisation specific conditions precedent for the purposes of the Facility Agreement:

N/A

"Approved Securities: means any existing Security Interest disclosed to and approved by us.

Negative Pledge amendment:

The "and" under 1.2(k)(A) of the Lending Services section, *Terms and conditions applicable to all facilities – Your obligations when we lend you money – You must agree to do or not do certain things.* The following will be added to Clause 1.2(k) of Lending Services section, *Terms and conditions applicable to all facilities – Your obligations when we lend you money – You must agree to do or not do certain things:*

- (D) any Security Interest or Quasi-Security created by any finance document;
- (E) any Security Interest as advised by you and approved by us, except to the extent that the principal amount secured by the relevant Security Interest exceeds the relevant maximum principal amount specified against that Approved Security in the Facility Letter; and
- (F) any Security Interest or Quasi-Security created with our prior written consent provided that the principal amount is not increased at any time.

Additional Undertakings:

1. Client to remediate inferior security position with Barclays Bank within tolerance period of twelve month by securing pari-passu or providing collateral to ensure we are at par with Barclays Bank.
2. Collateral sharing agreement to be in place prior utilisation of facilities.
3. Overdraft account/ balance to swing to credit at least four days in a year, at least once/ one day per quarter.
4. Only non-utilised limit by Sunda (T) Investment Company Limited will be activated for Keds Tanzania Company Limited. Upon limit activation for Keds, no new activation/utilisation for Sunda (T) Investment Company Limited will be allowed as the limit is expected to be fully cancelled upon expiry of all outstanding.
5. Parent company and sister companies will provide cash support in cases where the company is under cash flows stress.
6. Utilization of facilities is subject to formal valuation of collaterals by SCB approved valuer.
7. The directors shall not pay dividends or making drawings without Bank's prior written consent and the Bank shall not withhold such consent unreasonably.

Keds Tanzania Company Limited