

PRIME MINISTER'S OFFICE

TANZANIA INVESTMENT COMMISSION

FILE BEGINS

ENDS

PART

PART

FILE TITLE

FILE
TIC/

CONFIDENTIAL

FILE NUMBER

TIC/

PR10/041689

P
D

INDEX HEADINGS

Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section	For Action F/M	Initials	Date	Action taken Vide F/M	Officer or Section
DIF	F-1	DR	20/4/09	6						
nddona	f1	6	30/4/09	2						
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Zakaria	fu	6	19/5/09	3						
Exp	M2	6	22/5/09	6						

ZAINAB

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EXD

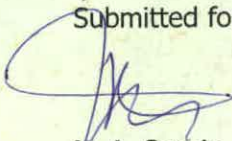
The approved project has fulfilled the investment requirements, which are: -

(a) Minimum finance investment threshold has been exceeded, the project expects to invest ... US\$ 1.85 m

(b) Legal entity has been incorporated under certificate No. 51744 of 31/07/2005

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

Submitted for signature.



N. A. Senzia
Ag. DIF

8th May 2009

EXD

In response to the TIC letter of registration dated 8th May 2009

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from EXIM BANK LTD

(c) Title deed and affidavits as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041687 herein attached.

22/05/09



MINUTE

PAGE NO. _____

ZAINAB BOTTLERS LIMITED

**Proposed Project for Production
of
Drinking Water, Carbonated Soft Drinks
and
Manufacture of PETG Bottles**

A BUSINESS PLAN

**Prepared for :
Zainab Bottlers Limited
P. O. Box 2339
Dar es Salaam
Tanzania**

FEBRUARY 2009

ZAINAB BOTTLERS LIMITED

Proposed Project for Production
of
Drinking Water, Carbonated Soft Drinks
and
Manufacture of PETG Bottles

A BUSINESS PLAN

Prepared for :
Zainab Bottlers Limited
P. O. Box 2339
Dar es Salaam
Tanzania

FEBRUARY 2009

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Project Promoted by M/s Zainab Bottlers Limited P.O. Box 2339 Dar es Salaam

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1.0. EXECUTIVE SUMMARY

1.1 Introduction

This report gives details on a proposal to establish a pure drinking water, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing project in Dar es Salaam. The project shall have the annual capacity of making 9.0 million litres of pure drinking water and carbonated drinks when operating at 100% capacity on an extended single 10 hours shift per day and 1,800 tons of PETG bottles when operating at 24 hours per day for 6 days per week.

1.2 Project Promoters

The project is being sponsored by ZAINAB BOTTLERS LIMITED, a private limited liabilities company incorporated in Tanzania on 9th March, 2005 under Certificate of Incorporation No. 51744. The shareholding of the company is divided between Mr. Ahmed Murtadha (40%), Mr. Toufiq Salim Turkey (60%). The two shareholders are also involved in various manufacturing facilities in Dar es Salaam.

1.3 The Project

The project is divided into three main phases. Phases I and two II which are covered under this study involve the establishment of a pure drinking water, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing project; and Phase III entails production of fruit juices based on fresh fruits to be procured locally. Implementation of the third phases is subject to the successful implementation of Phase I. and II.

The project to be located at Plot No: 45 Mbagala Industrial Area in Dar es Salaam City will involve the following main activities:

- Construction of factory building, out buildings, courtyard, drainage and water storage facilities.
- Procurement of plant and machinery for making pure drinking water, carbonated soft drinks and PETG bottles.

- Procurement of motor vehicle and office equipment and furniture.

1.4 Raw Materials

The main raw material for proposed Phase I & II of the project will be water to be obtained through city water supply system and from borehole to be sunk at the project site, synthetic soft drink materials, PETG granules and water purifying chemicals to be imported.

1.5 Project Cost and Financing

The total cost of the proposed project is estimated at US\$ 1,850,000 inclusive of US\$ 130,000 as initial working capital. The table below shows the summarized investment cost:

CAPITAL ITEM	COST (US\$)
Land Acquisition	50,000
Building and Other Civil Works Structures	200,000
Plant and Machinery	800,000
Tool room equipment	30,000
Miscellaneous Tools and Equipment	25,000
Power Generator kVA 120	50,000
Motor vehicles	525,000
Office equipment and Furniture	15,000
Pre-operational Expenses	25,000
Sub Total	1,720,000
Add: Initial Working Capital	130,000
Total	1,850,000

The above investment cost is proposed to be wholly financed by equity contributions and directors' loans.

1.6 Organization Structure and Management

The company shall be managed through the Board of Directors responsible for the formulation of the company policies. The Board will consist of the shareholders of the company.

The day to day operations of the company will be under the General Manager who will be supported by well trained and experienced functional manager such as Production Manager, Chief Accountant, Quality Controller, Chief Engineer and Marketing Manager.

The company shall employ a total of 65 people of different skills and categories.

1.7 Financial Analysis

Details of the financial analysis projections are contained in the tables and annexes attached to this report. However, a summary of the profit and loss accounts and cash flows for the first five years of operation is as follows:

(In US\$)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Revenue	2,646,00	3,087,000	3,528,000	3,548,000	3,548,000
Gross Profit	582,118	756,147	961,347	961,347	1,013,847
Net Profit	582,118	529,303	672,943	672,943	709,693
Net worth	1,850,000	2,315,694	2,739,137	3,176,550	3,613,963

The Internal Rate of Return (IRR) is calculated at 68.51% Pay – Back – Period is estimated at 3 years while Net Present Value stands at US\$ 2,487,185. NPV Ratio is 1.43. The projected liquidity of the project indicates that there shall be no problem in debt servicing and meeting other cash obligations.

1.8 Currency Equivalent

1 US \$ = Tshs. 1,350/=

1.9 Development Values

- The project is expected to generate employment opportunities to about 65 people.
- The project will generate revenue to the government through various taxes.

1.10 Conclusion and Recommendations

The project as analyzed in this report is financially viable and technically feasible. Implementation of the project is therefore highly recommended.

2.0 THE COMPANY

2.1 The company

ZAINAB BOTTLERS LIMITED. is a private limited liability company incorporated in Tanzania on 9th March, 2005 under Certificate of Incorporation No. 51744.

2.2 Shareholders

The shareholding of the company is divided between the following directors and shareholders:

Name and Address of Shareholder	Nationality	Number of Shares Taken	% Shareholding
AHMED MURTADHA HASSAN P.O. BOX 2339 DAR ES SALAAM	TANZANIAN	200	40%
TOUFIQ SALIM TURKY P.O. BOX 2339 DAR ES SALAAM	TANZANIAN	300	60%

3.0 THE PROJECT

3.1 Background

In 1984, the Government of Tanzania adopted a new approach towards trade. Trade liberalization policies were introduced for the first time since 1967 – the year of Arusha Declaration. Traders were allowed to export non traditional products and import of consumer goods was allowed as long as the trader used his own foreign exchange resources. This was an important

event because traders were unshackled from all kinds of government control. Encouraged by the success of this experiment, the government took another step forward by liberalizing the investment environment in the country. As a result both the local and foreign entrepreneurs are openly invited to invest in the country's future, with investment in those sectors which exploit the country's resources most encouraged.

Promoters of the proposed project have realized that there is a great potential in pure drinking water industry since there is unsatisfied and growing demand in the country.

3.2 Project Description

In this project it is planned that a new pure drinking water processing plant, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing plant be set up in Dar es Salaam city. The following are the main activities involved in the proposed project.

- Construction of factory & out buildings
- Purchase and installation of machinery.
- Purchase of motor vehicles, and
- Purchase of furniture and fittings.

3.3 Project Location

The proposed project will be located at Plot No: 45 Mbagala Industrial Area in Dar es Salaam. The proposed project site measure 3 acres which is quite adequate for the proposed project. The site has all the necessary amenities such as power, water and telephone.

3.4 Plant Capacity and Proposed Production Plan.

The proposed project will have the capacity of producing 9.0 million litres of pure drinking water and carbonated soft drinks combined per annum when operating at 100% capacity on a single extended shift of 10 hours per day and 1,800 tons of

PETG bottles when operating for 24 hours a day for 6 days per week. However, it is expected that the plant will slowly build up its operations starting at 60% capacity, increasing to 70% capacity in the second year and 80% from year 3 onwards. Improvement in capacity utilization is anticipated to arise from operational improvements of the workforce as they gain more skills and work experience. The proposed production plan will be as shown in the table below:

	Year 1	Year 2	Year 3 onwards
Installed Production Capacity (Pure Drinking Water & Carbonated Soft Drinks Combined) (million Litres)	9.0	9.0	9.0
Capacity Utilization	60%	70%	80%
Pure Drinking water (million Lts) 60% of production	3.24	3.78	4.32
Carbonated Soft Drinks (million Lts) 40% of production	2.16	2.52	2.88
Total Actual Production	5.40	6.30	7.20
PETG Bottles Installed Production Capacity (tons)	1,800	1,800	1,800
Capacity Utilization	60%	70%	80%
Actual Production (PETG Bottles Tons)	1,080	1,260	1,440

The plastic products manufacturing machinery to be procured are versatile and can produce other plastic packing material as well. The project will produce containers for packing liquid detergents, disinfectants, shampoo as well as for packing cosmetics.

3.5 Distribution and Marketing

The promoters of the project are involved in manufacturing of various other fast moving consumer products and distribution to

various areas in the country. The existing distribution of the other consumer products which include having whole sale distributors in major trading centres in the country appear to be working well. The promoters of the proposed project intend to use the same approach to distribute pure drinking water and carbonated soft drinks to various areas in the country.

The project will employ a Marketing Officer who will focus on developing new markets so as to be able to achieve full market potential as quickly as possible. Furthermore, a marketing budget of 0.5% of sales revenue has been allocated to support marketing activities.

3.6 Implementation Schedule

Implementation Schedule for the proposed project is as follows :

Activity	Timings
Mobilization of Funds	April – July 2005
Construction of Factory building and other civil works	August –September, 2005
Placing of order for machinery	May/June 1998
Arrival of machinery & equipment	November 2005-March 2006
Installation	March 2006 – June 2006
Trial runs	July-September 2006
Commencement of Commercial Production.	October, 2006

3.7 The Impact of Environment

There is no negative environmental impact associated with this project because no harmful chemicals are used. Effluent water will be disposed off through city sewerage systems.

3.8 PROJECT COSTS

3.9 Investment Costs

The total cost of the proposed project is estimated at US\$ 1,850,000 inclusive of US\$ 130,000 as initial working capital. The table below shows the summarized investment cost:

CAPITAL ITEM	COST (US\$)
Land Acquisition	50,000
Building and Other Civil Works Structures	200,000
	<i>250,000</i>
Plant and Machinery	800,000
Tool room equipment	30,000
Miscellaneous Tools and Equipment	25,000
Power Generator kVA 120	50,000
	<i>905,000</i>
Motor vehicles	525,000
Office equipment and Furniture	15,000
Pre-operational Expenses	25,000
<i>Sub Total</i>	<i>1,720,000</i>
Add: Initial Working Capital	130,000
Grand Total	1,850,000

Investment in Fixed Assets:

Civil work costs include construction of factory building, out buildings, water pump house, reservoir tank, internal fencing and installation of utilities such as power and water.

Pre-operational Expenses

Pre-operational expenses comprise of legal fees, interest during construction and travelling expenses.

3.10 Project Financing

The above costs are planned to be wholly financed by shareholders' equity contribution and directors' loans.

4.0 PRODUCTION PROCESS

Production process of pure drinking water and carbonated soft drinks will be integrated with the production of PETG bottles for packing. The products to be produced by the proposed project will be packed in 1.5 lts 0.5 lts and 0.35 lt PETG bottles.

4.1 PETG Bottles

At present there are only a few manufacturing facilities existing in Tanzania for PETG Bottles. The process of manufacturing PETG containers (bottles) generally falls in two stages involving injection moulding process while the second stage produces containers according to mould design by blow moulding process.

4.2 Pure Drinking Water and Carbonated Drinks.

Raw water from the mains or underground borehole will be pumped into storage tanks. From there the water is passed through a series of filters up-to the purification plant where it is purified ready for bottling and labeling. About 60% of the pure drinking water to be produced will be packed as a final product while about 40% of the production by the proposed project will be enriched with synthetic materials to produce carbonated soft drinks before bottling and labeling ready for the market.

5.0 THE MARKET

5.1 Pure Drinking Water and Carbonated Soft Drinks

Production of bottled drinking water in Tanzania started way back in 1993. Since then a number of plants of various capacities have been set up in the country. It is difficult to establish exactly the installed capacities of these plants since centralization of data in this sector is yet to be done. However, unpublished information obtained from promoters' surveys estimated the installed capacity of pure drinking water plants in Tanzania to be around 210.0 million litres. Figures on actual demand are not readily available however; the following factors have influenced rapid increase in demand for bottled water.

- The continuing tragic deterioration of quality and taste of public drinking water and spread of water borne diseases.
- Awareness of many people in the country regarding abuse of the ground water over the years which has negative impact on environment and health, and
- The growing population which is more affluent, health conscious and more concerned about quality of life.

Based on the current population of 35 million people, the per capita consumption of bottled water in Tanzania can be estimated at 6.0 litres. This rate is low compared to per capita consumption of bottled water in Kenya which is estimate at above 12 litres per annum. Further, demand for bottled water in Tanzania is expected to increase not only out of growing population but as well as the growing number of affluent visitors particularly tourists. According to Hotels and National Parks Statistics Published by the Bureau of Statistics, there are 335 tourist hotels in the country with an annual capacity of 1.95 million room nights available at average room occupancy of 58.6%. The report further states that the number of tourists who visited the country in 2003 reached 759,070 with an average stay of 10 days each. Due to poor sanitation standards of

tape water in the country and advice to visitors to drink bottled water to avoid water borne diseases, it can safely be assumed that all tourists are drinking bottled water. Assuming that each tourist stayed in the country for 10 days and consumed 1.5 litres of water per day, the demand for bottled water by tourist alone could have reached 11.386 million litres in 2003. This demand is expected to continue growing as the number of visitors in the country increases.

The demand for carbonated soft drinks is expected to be mainly from consumption by ordinary people.

It can therefore be concluded that the proposed project will have no problem in marketing its products provided that quality standards are kept and packaging is temper proof.

Tourism Business Trends in Tanzania, 1995 – 2003

YEAR	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of international tourists in the country	295,312	326,188	360,000	482,331	627,325	501,669	525,122	575,296	576,198
Number of international tourists in hotels	268,152	296,193	345,000	457,331	564,593	479,652	501,081		
Earnings in US \$ million	259.44	322.37	392.41	570.00	733.28	739.06	725.00	730.00	731.00
Average number of days per tourist	7.20	7.30	7.50	7.60	7.70	8.00	8.00	10	10
Average expenditure per tourist per day (US \$)	122.00	135.00	145.00	155.50	152.00	162.8	172.58	127.00	127.00
Number of hotels	210	212	213	215	321	326	329	335	335
Number of rooms	6,935	6,970	7,470	7,500	9,575	10,025	10,325	10525	10525

Number of beds	12,145	12,348	13,248	13,400	17,235	17,303	18,284	18945	18945
Total tourist bed nights	417,000	880,000	1,479,000	2,534,000	1,695,000	1,888,000	1,955,000		
Average room occupancy per year (%)	57.10	56.40	56.30	59.90	63.7	54.02	58.6		

Source: National Bureau of Statistics, & Tourism Department.

5.2 PETG Bottles

The proposed PETG bottles manufacturing plant has a higher capacity than the immediate requirement of the Phase I & II of the project. It is proposed that excess PETG bottles be sold to the market. At present there are only few manufacturing facilities existing in Tanzania for PETG bottles. The project will manufacture PETG bottles based on moulds to be supplied by the buyers. As a result every buyer shall be able to obtain bottles according to his own mould design.

The potential market for PETG bottles can be divided into three segments namely: edible oil sector, beverage sector and food products. Since there are only a few producers in the country, it can safely be assumed that all the excess PETG containers will be sold. It is important to note that PETG containers are superior in quality compared to PVC containers. They have higher impact resistance, better clarity and are cheaper than PVC containers.

6.0 RAW AND PACKING MATERIALS

6.1 Pure Drinking Water and Carbonated Soft Drinks

Raw materials for making pure drinking water and carbonated soft drinks will be water drawn from the city water supply system as well as borehole to be sunk at the project site for pure drinking water. As for carbonated soft drinks, synthetic materials and chemicals will be added to the processed water to produce the carbonated soft drinks.. Samples of water from the city

water supply system have been sent abroad for detailed laboratory analysis.

6.2 PETG Granules

The Principal raw material is polymer products viz. PETG granules. These materials will be imported from Europe, far East or South Africa. Choice of the source of import will depend on price competitiveness and the quality of the material.

6.3 Packing Materials

Packaging materials to be used by the proposed project will be PETG bottles to be manufactured in-house. Initially, the products will be packed in 1.5, 0.5, and 0.35 litre containers. The product of the proposed project will have price advantage over other producers because of reduced cost of PETG Bottles. Since the component of packaging cost is high in the cost structure of food products and beverages, low price of packaging material for the proposed project will make final products cheaper compared to other producers. Other packaging materials required include corrugated boxes to be procured locally.

7.0 FINANCE AND INVESTMENT ANALYSIS

7.1 Financial and Economic Analysis

Discounted Cash-flow

The project is financial viable with an Internal Rate of Return (IRR) of 68.51% before tax.

Projected Profit & Loss Accounts

The projected profit and loss accounts show that profit before tax will increase from US\$ 582,118 in the first year of operation to US\$ 961,347 by year 5 of the operation.

Projected Cash-flow

The projected cash-flow indicate that the proposed project will have enough funds to service the loan and meet other cash obligations including re-investment as the fall due. Cumulative cash balances increases from US\$ 648,567 in year 1 to US\$ 3,287,818 by year 5 of the operation.

Projected Balance Sheets

The projected balance sheets show a very healthy situation throughout the life span of the project. The long term liabilities are well covered by the net fixed assets. Similarly the current liabilities are well covered by the current assets.

Pay Back Period

The pay back period is estimated at 3 years which is relatively short and adequate for the recovery of the investment.

APPENDICES

ZAINAB BOTTLERS LIMITED CAPITAL INVESTMENT AND FINANCING ARRANGEMENT

CAPITAL ITEM	COST (US\$)
LAND & BUILDINGS	250,000
Land Acquisition	
Factory Building	
Out Buildings	
Courtyard & Drainage	
Water Storage & Distribution	
Internal Fencing	
PLANT AND MACHINERY	875,000
Blow Moulder (2 pcs)	
Blow Moulding Tools (1 set)	
Filing Machine (2 Pcs)	
Machinery for filtration and oxygen enrichment of water (1 Pc)	
Oxygen Measuring Instrument (1 Pc)	
Sediment Filter (15 Pcs)	
Coramic AC (30 Sets)	
UV Lamps (3 Pcs)	
Small Materials (1 set)	
Clearing & Disinfectant Material (1 set)	
Compressor & Air Cooler (2 pcs)	
Hopper Loader (2 pcs)	
Regrind Automixer (2 pcs)	
Mixing Vessels (6 pcs)	
Stirrer (2 pcs)	
Steam Cleaner (1 pc)	
Capping Machine (2 pcs)	
Wripper & Shrink Tunnel (2 Pcs)	
Water Chiller (2 Pcs)	
Dehumidifier Dryer (2 pcs)	
Granulater (2 Pcs)	
Screen Printer (2 Pcs)	
Master Batch Doser (1 Pc)	
Ink Jet Printer (2 Pcs)	

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

Injection Moulding M/C & Tools (2 Pcs)	
Tank Filter (1 Set)	
Generator (400 KVA)	
Electrical Fittings (Lumpsum)	
Pipe Fittings (Lumpsum)	
Miscellaneous Tools & Equipment	
Installation & Commissioning	
TOOL ROOM EQUIPMENT	30,000
Elliot Centre Lathe (1 pc)	
Beauer turret Mill (1 pc)	
Herbert Pedestrian Drill (1 pc)	
Saw (1 pc)	
Surface Grinder (1 pc)	
Ancillaries for the above (1 set)	
MOTOR VEHICLES	525,000
15 Units Trucks (3.5 tons light trucks)	
8 Units Semi Trailers complete with pulling tractors	
2 Units Water Tankers	
1 Unit Station Wagon Administration Vehicle	
2 Units Double Cabin Pick – ups	
2 Units Staff Mini Bus	
2 Fork Lifts	
OFFICE EQUIPMENT & FURNITURES	15,000
Computer + Accessories (6 pcs)	
Fax, Photocopying Machine	
Furniture	
PRE-OPERATIONAL EXPENSES	25,000
Professional Fees	
Travelling Expenses	
Legal Fees	
INITIAL WORKING CAPITAL	130,000
TOTAL CAPITAL COST	1,850,000

Project Promoted by M/s Zainab Bottlers Limited P.O. Box 2339 Dar es Salaam

ZAINAB BOTTLERS LIMITED

PROJECTED PRODUCTION RAW & PACKAGING MATERIALS
REQUIREMENT
AND SALES REVENURE

CAPACITY UTILISATION	YEAR 1	YEAR 2	Year 3	YEAR 4	Year 5
Production	60%	70%	80%	80%	80%
PETG Container Section					
Capacity 1,800 Tons/year	1,080	1,260	1,260	1,260	1,260
Pure drinking water & carbonated drinks section					
Capacity 9.0 million Litres/year (in "000"s)	5,400	6,300	7,200	7,200	7,200
Raw Materials Requirement					
PETG Granules (tons)	1,134	1,323	1,512	1,512	1,512
Water ('000' Lts)	6,480	7,560	8,640	8,640	8,640
Packing Materials Requirements					
PETG Bottles (1.5 Lt. Capacity – 20% production)	720	840	960	960	960
PETG Bottles (0.5Lt. Capacity – 50% production)	5,400	6,300	7,200	7,200	7,200
PETG Bottles (0.35 Lt. Capacity- 30% production)	4,626	5,400	6,171	6,171	6,171
Total Bottles required (in '000')	10,746	12,540	14,331	14,331	14,331
Kgs equivalent @ PETG bottle = 28 gms	300,888	351,120	401,268	401,268	401,268
Other packing materials required					
Carton Boxes (12 bottles / box)	895,500	1,045,000	1,194,250	1,194,250	1,194,250
Cost of Raw & Packing Materials					
PETG Granules (US\$ 650 per ton)	737,100	859,950	982,800	982,800	982,800
Water (US\$ 0.40/Ltr)	259,200	302,400	345,600	345,600	345,600
Water Purification Chemicals & Filters	194,400	226,800	259,200	259,200	259,200
Carton Boxes (US\$ 0.12 per box)	107,460	125,400	143,310	143,310	143,310
Synthetic and other materials required for production of carbonated drinks	116,640	136,080	155,520	155,520	155,520
Total	1,414,800	1,650,630	1,886,430	1,886,430	1,886,430
Sales revenue					
Pure Drinking water (US\$ 0.45/Lt)	1,458,000	1,701,000	1,944,000	1,944,000	1,944,000
Carbonated Soft Drinks	1,188,000	1,386,000	1,584,000	1,584,000	1,584,000
Total Sales	2,646,000	3,087,000	3,528,000	3,528,000	3,528,000

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

ZAINAB BOTTLERS LIMITED

SALARIES AND WAGE (In US\$)

PRODUCTION	NUMBER	@ PM	TOTAL P.A.
Production Manager	1	900	8400
Quality Controller	1	750	6720
Chief Engineer	1	750	6720
Foreman	3	200	2400
Technician	4	120	1440
Maintenance Staff	2	100	2400
Machine Operators	6	100	7200
Labourers	10	70	6000
	28		41280
Other Benefits 40%			16512
ADMINISTRATION & FINANCE			57792
General Manager	1	840	10080
Chief Accountant	1	700	8400
Accounts Assistant	1	220	2640
Store – Keepers	2	180	4320
Secretary	1	120	1440
Office Attendants	2	50	1200
Watchmen	6	60	2880
	14		30960
Other Benefits 40%			12384
MARKETING			43344
Sales and Marketing Manager	1	900	
Sales and Marketing Officers	6	220	
Procurement Officer	2	250	3000
Sales Clerks	2	150	1800
Truck Drivers	12	100	27600
	23		
Other Benefits 40%			4800
			1920
			6720
Total	65		107856

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

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Dar es Salaam
Tanzania

FEBRUARY 2009

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1.0. EXECUTIVE SUMMARY

1.1 Introduction

This report gives details on a proposal to establish a pure drinking water, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing project in Dar es Salaam. The project shall have the annual capacity of making 9.0 million litres of pure drinking water and carbonated drinks when operating at 100% capacity on an extended single 10 hours shift per day and 1,800 tons of PETG bottles when operating at 24 hours per day for 6 days per week.

1.2 Project Promoters

The project is being sponsored by ZAINAB BOTTLERS LIMITED, a private limited liabilities company incorporated in Tanzania on 9th March, 2005 under Certificate of Incorporation No. 51744. The shareholding of the company is divided between Mr. Ahmed Murtadha (40%), Mr. Toufiq Salim Turkey (60%). The two shareholders are also involved in various manufacturing facilities in Dar es Salaam.

1.3 The Project

The project is divided into three main phases. Phases I and two II which are covered under this study involve the establishment of a pure drinking water, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing project; and Phase III entails production of fruit juices based on fresh fruits to be procured locally. Implementation of the third phases is subject to the successful implementation of Phase I. and II.

The project to be located at Plot No: 45 Mbagala Industrial Area in Dar es Salaam City will involve the following main activities:

- Construction of factory building, out buildings, courtyard, drainage and water storage facilities.
- Procurement of plant and machinery for making pure drinking water, carbonated soft drinks and PETG bottles.

- Procurement of motor vehicle and office equipment and furniture.

1.4 Raw Materials

The main raw material for proposed Phase I & II of the project will be water to be obtained through city water supply system and from borehole to be sunk at the project site, synthetic soft drink materials, PETG granules and water purifying chemicals to be imported.

1.5 Project Cost and Financing

The total cost of the proposed project is estimated at US\$ 1,850,000 inclusive of US\$ 130,000 as initial working capital. The table below shows the summarized investment cost:

CAPITAL ITEM	COST (US\$)
Land Acquisition	50,000
Building and Other Civil Works Structures	200,000
Plant and Machinery	800,000
Tool room equipment	30,000
Miscellaneous Tools and Equipment	25,000
Power Generator kVA 120	50,000
Motor vehicles	525,000
Office equipment and Furniture	15,000
Pre-operational Expenses	25,000
Sub Total	1,720,000
Add: Initial Working Capital	130,000
Total	1,850,000

The above investment cost is proposed to be wholly financed by equity contributions and directors' loans.

1.6 Organization Structure and Management

The company shall be managed through the Board of Directors responsible for the formulation of the company policies. The Board will consist of the shareholders of the company.

The day to day operations of the company will be under the General Manager who will be supported by well trained and experienced functional manager such as Production Manager, Chief Accountant, Quality Controller, Chief Engineer and Marketing Manager.

The company shall employ a total of 65 people of different skills and categories.

1.7 Financial Analysis

Details of the financial analysis projections are contained in the tables and annexes attached to this report. However, a summary of the profit and loss accounts and cash flows for the first five years of operation is as follows:

(In US\$)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales Revenue	2,646,00	3,087,000	3,528,000	3,548,000	3,548,000
Gross Profit	582,118	756,147	961,347	961,347	1,013,847
Net Profit	582,118	529,303	672,943	672,943	709,693
Net worth	1,850,000	2,315,694	2,739,137	3,176,550	3,613,963

The Internal Rate of Return (IRR) is calculated at 68.51% Pay – Back – Period is estimated at 3 years while Net Present Value stands at US\$ 2,487,185. NPV Ratio is 1.43. The projected liquidity of the project indicates that there shall be no problem in debt servicing and meeting other cash obligations.

1.8 Currency Equivalent

1 US \$ = Tshs. 1,350/=

1.9 Development Values

- The project is expected to generate employment opportunities to about 65 people.
- The project will generate revenue to the government through various taxes.

1.10 Conclusion and Recommendations

The project as analyzed in this report is financially viable and technically feasible. Implementation of the project is therefore highly recommended.

2.0 THE COMPANY

2.1 The company

ZAINAB BOTTLERS LIMITED. is a private limited liability company incorporated in Tanzania on 9th March, 2005 under Certificate of Incorporation No. 51744.

2.2 Shareholders

The shareholding of the company is divided between the following directors and shareholders:

Name and Address of Shareholder	Nationality	Number of Shares Taken	% Shareholding
AHMED MURTADHA HASSAN P.O. BOX 2339 DAR ES SALAAM	TANZANIAN	200	40%
TOUFIQ SALIM TURKY P.O. BOX 2339 DAR ES SALAAM	TANZANIAN	300	60%

3.0 THE PROJECT

3.1 Background

In 1984, the Government of Tanzania adopted a new approach towards trade. Trade liberalization policies were introduced for the first time since 1967 – the year of Arusha Declaration. Traders were allowed to export non traditional products and import of consumer goods was allowed as long as the trader used his own foreign exchange resources. This was an important

event because traders were unshackled from all kinds of government control. Encouraged by the success of this experiment, the government took another step forward by liberalizing the investment environment in the country. As a result both the local and foreign entrepreneurs are openly invited to invest in the country's future, with investment in those sectors which exploit the country's resources most encouraged.

Promoters of the proposed project have realized that there is a great potential in pure drinking water industry since there is unsatisfied and growing demand in the country.

3.2 Project Description

In this project it is planned that a new pure drinking water processing plant, carbonated soft drinks based on synthetic materials and PETG bottles manufacturing plant be set up in Dar es Salaam city. The following are the main activities involved in the proposed project.

- Construction of factory & out buildings
- Purchase and installation of machinery.
- Purchase of motor vehicles, and
- Purchase of furniture and fittings.

3.3 Project Location

The proposed project will be located at Plot No: 45 Mbagala Industrial Area in Dar es Salaam. The proposed project site measure 3 acres which is quite adequate for the proposed project. The site has all the necessary amenities such as power, water and telephone.

3.4 Plant Capacity and Proposed Production Plan.

The proposed project will have the capacity of producing 9.0 million litres of pure drinking water and carbonated soft drinks combined per annum when operating at 100% capacity on a single extended shift of 10 hours per day and 1,800 tons of

PETG bottles when operating for 24 hours a day for 6 days per week. However, it is expected that the plant will slowly build up its operations starting at 60% capacity, increasing to 70% capacity in the second year and 80% from year 3 onwards. Improvement in capacity utilization is anticipated to arise from operational improvements of the workforce as they gain more skills and work experience. The proposed production plan will be as shown in the table below:

	Year 1	Year 2	Year 3 onwards
Installed Production Capacity (Pure Drinking Water & Carbonated Soft Drinks Combined) (million Litres)	9.0	9.0	9.0
Capacity Utilization	60%	70%	80%
Pure Drinking water (million Lts) 60% of production	3.24	3.78	4.32
Carbonated Soft Drinks (million Lts) 40% of production	2.16	2.52	2.88
Total Actual Production	5.40	6.30	7.20
PETG Bottles Installed Production Capacity (tons)	1,800	1,800	1,800
Capacity Utilization	60%	70%	80%
Actual Production (PETG Bottles Tons)	1,080	1,260	1,440

The plastic products manufacturing machinery to be procured are versatile and can produce other plastic packing material as well. The project will produce containers for packing liquid detergents, disinfectants, shampoo as well as for packing cosmetics.

3.5 Distribution and Marketing

The promoters of the project are involved in manufacturing of various other fast moving consumer products and distribution to

various areas in the country. The existing distribution of the other consumer products which include having whole sale distributors in major trading centres in the country appear to be working well. The promoters of the proposed project intend to use the same approach to distribute pure drinking water and carbonated soft drinks to various areas in the country.

The project will employ a Marketing Officer who will focus on developing new markets so as to be able to achieve full market potential as quickly as possible. Furthermore, a marketing budget of 0.5% of sales revenue has been allocated to support marketing activities.

3.6 Implementation Schedule

Implementation Schedule for the proposed project is as follows :

Activity	Timings
Mobilization of Funds	April – July 2005
Construction of Factory building and other civil works	August –September, 2005
Placing of order for machinery	May/June 1998
Arrival of machinery & equipment	November 2005-March 2006
Installation	March 2006 – June 2006
Trial runs	July-September 2006
Commencement of Commercial Production.	October, 2006

3.7 The Impact of Environment

There is no negative environmental impact associated with this project because no harmful chemicals are used. Effluent water will be disposed off through city sewerage systems.

3.8 PROJECT COSTS

3.9 Investment Costs

The total cost of the proposed project is estimated at US\$ 1,850,000 inclusive of US\$ 130,000 as initial working capital. The table below shows the summarized investment cost:

CAPITAL ITEM	COST (US\$)
Land Acquisition	50,000
Building and Other Civil Works Structures	200,000
	<i>250,000</i>
Plant and Machinery	800,000
Tool room equipment	30,000
Miscellaneous Tools and Equipment	25,000
Power Generator kVA 120	50,000
	<i>905,000</i>
Motor vehicles	525,000
Office equipment and Furniture	15,000
Pre-operational Expenses	25,000
<i>Sub Total</i>	<i>1,720,000</i>
Add: Initial Working Capital	130,000
Grand Total	1,850,000

Investment in Fixed Assets:

Civil work costs include construction of factory building, out buildings, water pump house, reservoir tank, internal fencing and installation of utilities such as power and water.

Pre-operational Expenses

Pre-operational expenses comprise of legal fees, interest during construction and travelling expenses.

3.10 Project Financing

The above costs are planned to be wholly financed by shareholders' equity contribution and directors' loans.

4.0 PRODUCTION PROCESS

Production process of pure drinking water and carbonated soft drinks will be integrated with the production of PETG bottles for packing. The products to be produced by the proposed project will be packed in 1.5 lts 0.5 lts and 0.35 lts PETG bottles.

4.1 PETG Bottles

At present there are only a few manufacturing facilities existing in Tanzania for PETG Bottles. The process of manufacturing PETG containers (bottles) generally falls in two stages involving injection moulding process while the second stage produces containers according to mould design by blow moulding process.

4.2 Pure Drinking Water and Carbonated Drinks.

Raw water from the mains or underground borehole will be pumped into storage tanks. From there the water is passed through a series of filters up-to the purification plant where it is purified ready for bottling and labeling. About 60% of the pure drinking water to be produced will be packed as a final product while about 40% of the production by the proposed project will be enriched with synthetic materials to produce carbonated soft drinks before bottling and labeling ready for the market.

5.0 THE MARKET

5.1 Pure Drinking Water and Carbonated Soft Drinks

Production of bottled drinking water in Tanzania started way back in 1993. Since then a number of plants of various capacities have been set up in the country. It is difficult to establish exactly the installed capacities of these plants since centralization of data in this sector is yet to be done. However, unpublished information obtained from promoters' surveys estimated the installed capacity of pure drinking water plants in Tanzania to be around 210.0 million litres. Figures on actual demand are not readily available however; the following factors have influenced rapid increase in demand for bottled water.

- The continuing tragic deterioration of quality and taste of public drinking water and spread of water borne diseases.
- Awareness of many people in the country regarding abuse of the ground water over the years which has negative impact on environment and health, and
- The growing population which is more affluent, health conscious and more concerned about quality of life.

Based on the current population of 35 million people, the per capita consumption of bottled water in Tanzania can be estimated at 6.0 litres. This rate is low compared to per capita consumption of bottled water in Kenya which is estimate at above 12 litres per annum. Further, demand for bottled water in Tanzania is expected to increase not only out of growing population but as well as the growing number of affluent visitors particularly tourists. According to Hotels and National Parks Statistics Published by the Bureau of Statistics, there are 335 tourist hotels in the country with an annual capacity of 1.95 million room nights available at average room occupancy of 58.6%. The report further states that the number of tourists who visited the country in 2003 reached 759,070 with an average stay of 10 days each. Due to poor sanitation standards of

tape water in the country and advice to visitors to drink bottled water to avoid water borne diseases, it can safely be assumed that all tourists are drinking bottled water. Assuming that each tourist stayed in the country for 10 days and consumed 1.5 litres of water per day, the demand for bottled water by tourist alone could have reached 11.386 million litres in 2003. This demand is expected to continue growing as the number of visitors in the country increases.

The demand for carbonated soft drinks is expected to be mainly from consumption by ordinary people.

It can therefore be concluded that the proposed project will have no problem in marketing its products provided that quality standards are kept and packaging is temper proof.

Tourism Business Trends in Tanzania, 1995 – 2003

YEAR	1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of international tourists in the country	295,312	326,188	360,000	482,331	627,325	501,669	525,122	575,296	576,198
Number of international tourists in hotels	268,152	296,193	345,000	457,331	564,593	479,652	501,081		
Earnings in US \$ million	259.44	322.37	392.41	570.00	733.28	739.06	725.00	730.00	731.00
Average number of days per tourist	7.20	7.30	7.50	7.60	7.70	8.00	8.00	10	10
Average expenditure per tourist per day (US \$)	122.00	135.00	145.00	155.50	152.00	162.8	172.58	127.00	127.00
Number of hotels	210	212	213	215	321	326	329	335	335
Number of rooms	6,935	6,970	7,470	7,500	9,575	10,025	10,325	10525	10525

Number of beds	12,145	12,348	13,248	13,400	17,235	17,303	18,284	18945	18945
Total tourist bed nights	417,000	880,000	1,479,000	2,534,000	1,695,000	1,888,000	1,955,000		
Average room occupancy per year (%)	57.10	56.40	56.30	59.90	63.7	54.02	58.6		

Source: National Bureau of Statistics, & Tourism Department.

5.2 PETG Bottles

The proposed PETG bottles manufacturing plant has a higher capacity than the immediate requirement of the Phase I & II of the project. It is proposed that excess PETG bottles be sold to the market. At present there are only few manufacturing facilities existing in Tanzania for PETG bottles. The project will manufacture PETG bottles based on moulds to be supplied by the buyers. As a result every buyer shall be able to obtain bottles according to his own mould design.

The potential market for PETG bottles can be divided into three segments namely: edible oil sector, beverage sector and food products. Since there are only a few producers in the country, it can safely be assumed that all the excess PETG containers will be sold. It is important to note that PETG containers are superior in quality compared to PVC containers. They have higher impact resistance, better clarity and are cheaper than PVC containers.

6.0 RAW AND PACKING MATERIALS

6.1 Pure Drinking Water and Carbonated Soft Drinks

Raw materials for making pure drinking water and carbonated soft drinks will be water drawn from the city water supply system as well as borehole to be sunk at the project site for pure drinking water. As for carbonated soft drinks, synthetic materials and chemicals will be added to the processed water to produce the carbonated soft drinks.. Samples of water from the city

water supply system have been sent abroad for detailed laboratory analysis.

6.2 PETG Granules

The Principal raw material is polymer products viz. PETG granules. These materials will be imported from Europe, far East or South Africa. Choice of the source of import will depend on price competitiveness and the quality of the material.

6.3 Packing Materials

Packaging materials to be used by the proposed project will be PETG bottles to be manufactured in-house. Initially, the products will be packed in 1.5, 0.5, and 0.35 litre containers. The product of the proposed project will have price advantage over other producers because of reduced cost of PETG Bottles. Since the component of packaging cost is high in the cost structure of food products and beverages, low price of packaging material for the proposed project will make final products cheaper compared to other producers. Other packaging materials required include corrugated boxes to be procured locally.

7.0 FINANCE AND INVESTMENT ANALYSIS

7.1 Financial and Economic Analysis

Discounted Cash-flow

The project is financial viable with an Internal Rate of Return (IRR) of 68.51% before tax.

Projected Profit & Loss Accounts

The projected profit and loss accounts show that profit before tax will increase from US\$ 582,118 in the first year of operation to US\$ 961,347 by year 5 of the operation.

Projected Cash-flow

The projected cash-flow indicate that the proposed project will have enough funds to service the loan and meet other cash obligations including re-investment as the fall due. Cumulative cash balances increases from US\$ 648,567 in year 1 to US\$ 3,287,818 by year 5 of the operation.

Projected Balance Sheets

The projected balance sheets show a very healthy situation throughout the life span of the project. The long term liabilities are well covered by the net fixed assets. Similarly the current liabilities are well covered by the current assets.

Pay Back Period

The pay back period is estimated at 3 years which is relatively short and adequate for the recovery of the investment.

APPENDICES

ZAINAB BOTTLERS LIMITED CAPITAL INVESTMENT AND FINANCING ARRANGEMENT

CAPITAL ITEM	COST (US\$)
LAND & BUILDINGS	250,000
Land Acquisition	
Factory Building	
Out Buildings	
Courtyard & Drainage	
Water Storage & Distribution	
Internal Fencing	
PLANT AND MACHINERY	875,000
Blow Moulder (2 pcs)	
Blow Moulding Tools (1 set)	
Filing Machine (2 Pcs)	
Machinery for filtration and oxygen enrichment of water (1 Pc)	
Oxygen Measuring Instrument (1 Pc)	
Sediment Filter (15 Pcs)	
Coramic AC (30 Sets)	
UV Lamps (3 Pcs)	
Small Materials (1 set)	
Clearing & Disinfectant Material (1 set)	
Compressor & Air Cooler (2 pcs)	
Hopper Loader (2 pcs)	
Regrind Automixer (2 pcs)	
Mixing Vessels (6 pcs)	
Stirrer (2 pcs)	
Steam Cleaner (1 pc)	
Capping Machine (2 pcs)	
Wripper & Shrink Tunnel (2 Pcs)	
Water Chiller (2 Pcs)	
Dehumidifier Dryer (2 pcs)	
Granulater (2 Pcs)	
Screen Printer (2 Pcs)	
Master Batch Doser (1 Pc)	
Ink Jet Printer (2 Pcs)	

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

Injection Moulding M/C & Tools (2 Pcs)	
Tank Filter (1 Set)	
Generator (400 KVA)	
Electrical Fittings (Lumpsum)	
Pipe Fittings (Lumpsum)	
Miscellaneous Tools & Equipment	
Installation & Commissioning	
TOOL ROOM EQUIPMENT	30,000
Elliot Centre Lathe (1 pc)	
Beauer turret Mill (1 pc)	
Herbert Pedestrian Drill (1 pc)	
Saw (1 pc)	
Surface Grinder (1 pc)	
Ancillaries for the above (1 set)	
MOTOR VEHICLES	525,000
15 Units Trucks (3.5 tons light trucks)	
8 Units Semi Trailers complete with pulling tractors	
2 Units Water Tankers	
1 Unit Station Wagon Administration Vehicle	
2 Units Double Cabin Pick – ups	
2 Units Staff Mini Bus	
2 Fork Lifts	
OFFICE EQUIPMENT & FURNITURES	15,000
Computer + Accessories (6 pcs)	
Fax, Photocopying Machine	
Furniture	
PRE-OPERATIONAL EXPENSES	25,000
Professional Fees	
Travelling Expenses	
Legal Fees	
INITIAL WORKING CAPITAL	130,000
TOTAL CAPITAL COST	1,850,000

ZAINAB BOTTLERS LIMITED

PROJECTED PRODUCTION RAW & PACKAGING MATERIALS
REQUIREMENT
AND SALES REVENUE

CAPACITY UTILISATION	YEAR 1	YEAR 2	Year 3	YEAR 4	Year 5
Production	60%	70%	80%	80%	80%
PETG Container Section					
Capacity 1,800 Tons/year	1,080	1,260	1,260	1,260	1,260
Pure drinking water & carbonated drinks section					
Capacity 9.0 million Litres/year (in "000"s)	5,400	6,300	7,200	7,200	7,200
Raw Materials Requirement					
PETG Granules (tons)	1,134	1,323	1,512	1,512	1,512
Water ('000' Lts)	6,480	7,560	8,640	8,640	8,640
Packing Materials Requirements					
PETG Bottles (1.5 Lt. Capacity – 20% production)	720	840	960	960	960
PETG Bottles (0.5Lt. Capacity – 50% production)	5,400	6,300	7,200	7,200	7,200
PETG Bottles (0.35 Lt. Capacity- 30% production)	4,626	5,400	6,171	6,171	6,171
Total Bottles required (in '000')	10,746	12,540	14,331	14,331	14,331
Kgs equivalent @ PETG bottle = 28 gms	300,888	351,120	401,268	401,268	401,268
Other packing materials required					
Carton Boxes (12 bottles / box)	895,500	1,045,000	1,194,250	1,194,250	1,194,250
Cost of Raw & Packing Materials					
PETG Granules (US\$ 650 per ton)	737,100	859,950	982,800	982,800	982,800
Water (US\$ 0.40/Ltr)	259,200	302,400	345,600	345,600	345,600
Water Purification Chemicals & Filters	194,400	226,800	259,200	259,200	259,200
Carton Boxes (US\$ 0.12 per box)	107,460	125,400	143,310	143,310	143,310
Synthetic and other materials required for production of carbonated drinks	116,640	136,080	155,520	155,520	155,520
Total	1,414,800	1,650,630	1,886,430	1,886,430	1,886,430
Sales revenue					
Pure Drinking water (US\$ 0.45/Lt)	1,458,000	1,701,000	1,944,000	1,944,000	1,944,000
Carbonated Soft Drinks	1,188,000	1,386,000	1,584,000	1,584,000	1,584,000
Total Sales	2,646,000	3,087,000	3,528,000	3,528,000	3,528,000

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

ZAINAB BOTTLERS LIMITED

SALARIES AND WAGE (In US\$)

PRODUCTION	NUMBER	@ PM	TOTAL P.A.
Production Manager	1	900	8400
Quality Controller	1	750	6720
Chief Engineer	1	750	6720
Foreman	3	200	2400
Technician	4	120	1440
Maintenance Staff	2	100	2400
Machine Operators	6	100	7200
Labourers	10	70	6000
	28		41280
Other Benefits 40%			16512
ADMINISTRATION & FINANCE			57792
General Manager	1	840	10080
Chief Accountant	1	700	8400
Accounts Assistant	1	220	2640
Store – Keepers	2	180	4320
Secretary	1	120	1440
Office Attendants	2	50	1200
Watchmen	6	60	2880
	14		30960
Other Benefits 40%			12384
MARKETING			43344
Sales and Marketing Manager	1	900	
Sales and Marketing Officers	6	220	
Procurement Officer	2	250	3000
Sales Clerks	2	150	1800
Truck Drivers	12	100	27600
	23		
Other Benefits 40%			4800
			1920
			6720
Total	65		107856

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

Proposed Project for Establishing Facilities for Production of Drinking Water,
Carbonated Soft Drinks and PETG Bottles - A Business Plan

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

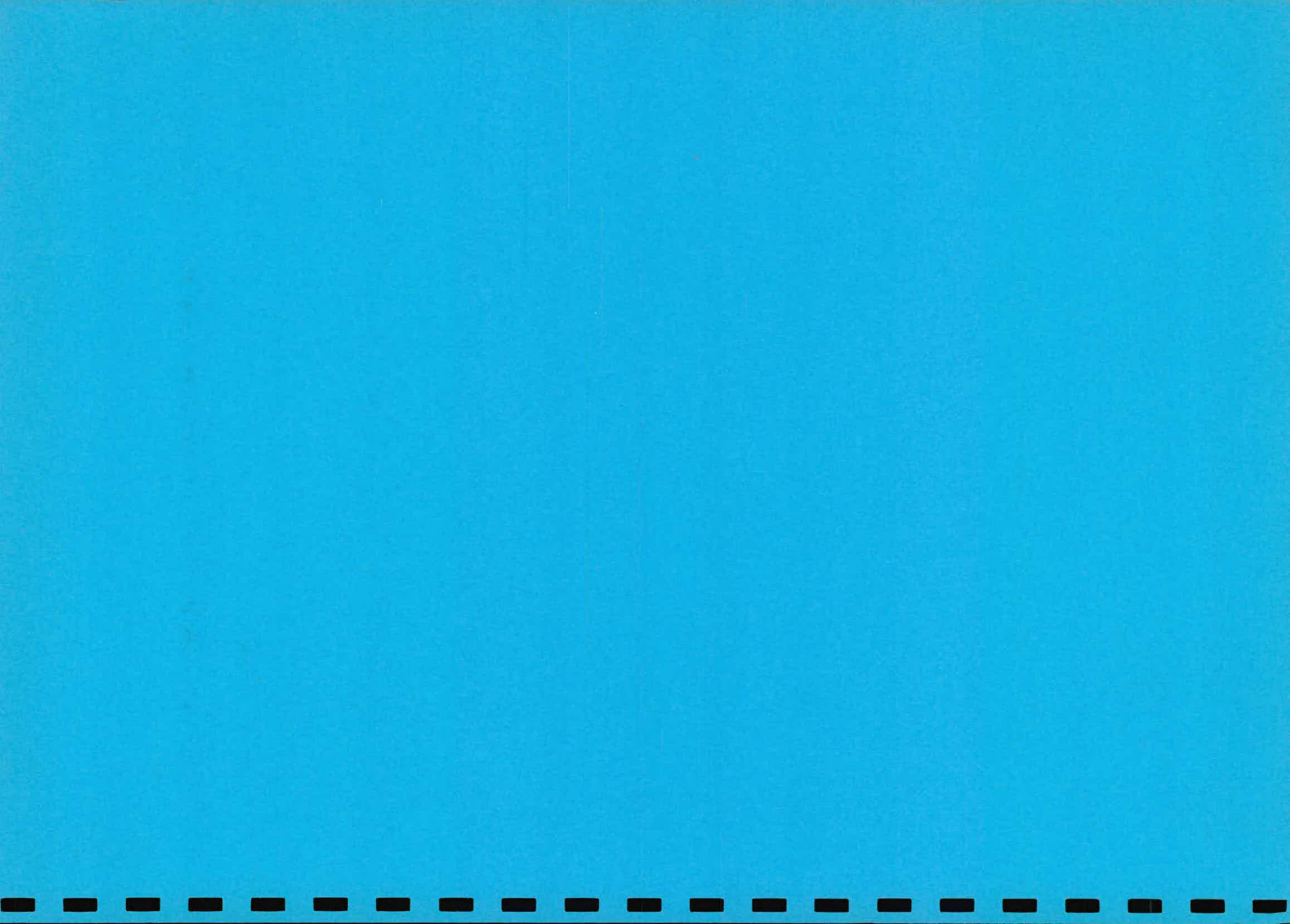
OF

ZAINAB BOTTLERS LIMITED

Incorporated this day of.....2005

Drawn by:

Ahmed Murtadha Hassan
(Subscriber)
P. O. Box 2339
DAR ES SALAAM



THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

ZAINAB BOTTLERS LIMITED

Incorporated this day of.....2005

Drawn by:

Ahmed Murtadha Hassan
(Subscriber)
P. O. Box 2339
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



Certificate of Incorporation

No.

I hereby certify that

ZAINAB BOTTLERS LIMITED

Is this day incorporated under the Companies Ordinance (Cap. 212), and that the Company is Limited

Given under my hand at Dar es Salaam
this.....day of.....Two thousand and five.

Seal

Registrar of Companies

THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
ZAINAB BOTTLERS LIMITED

1. The name of the company "ZAINAB BOTTLERS LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
- To carry on the business of manufacturing mineral and aerated waters and other non alcoholic drinks, fruit drinks and fruit juices, and to pack and sell the same by whole sale or retail locally and to export the same to different parts of the world.
 - To be general food manufacturers packers and suppliers to local and exporter markets, to be grain millers and padres, fruits and vegetable conners, to be manufacturers of fresh juices and other beverages and to be bottlers and or canneries of same to manufacture tomato sauces and ketchups, chilli sauces, salad dressing cream, dried soup formulate and all kinds of food additives for local and export markets, to be importers and distributors of all kinds of foodstuffs.
 - To carry on the business of establishing and running supermarkets, department stores, shopping malls, provision stores, groceries and shops of all kinds and description and generally to deal with such activities.
 - To carry and promote and trade or business of farm and agricultural inputs, implements, tools, packaging materials and deal in the livestock and or the veterinary health care products to farmers and stockists, to buy, sell, supply, distribute whether in retail or wholesale fertilizer, insecticides, fungicides, growth stimulants, agro seeds, farm implements and tools, animals feeds, veterinary drugs and any related goods and import and export agriculture and food technology, industries and equipment, manufacture and semi processed products in Tanzania and other parts of the world.
 - To carry on the business as general suppliers, traders, merchants, importers, exporters, stockists, wholesalers, retailers and dealers in all types of spare parts and maintenance, tyres, tubes, tools and

Stamp Duty Office
PAID ON ORIGINAL
23/11/2010

2200K
23/11/2010 09/03/11
Stamp Duty Office

accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, electrical goods, hardware, building materials, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.

- f) To acquire, take over, promote, establish, engage in and carry the business of profession of farmers, planters, harvesters, sprayers, seed growers, glaziers breeders of and dealers of livestock, market gardeners, arboriculturists, agriculturalists, horticulturists, floriculturists, dairymen, vegetable oil extractors, poultry and bee-keepers and any other businesses in connection with floriculture, arboriculture, agriculture and horticulture.
- g) To carry on the business of importers, exporters, buying, selling, dealers in building materials, hardware, sanitary-ware, wall papers, roofing tiles, flooring tiles, supplying industrial equipment's agricultural implements and equipment's spares of every description, plumbers, decorators, steel fabrication, machine shop, nickel plating, electric plating, making steel windows, doors, frames and roof tresses.
- h) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, hauliers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, trucks, cabs, omnibus, oil tank and coach proprietors and transporters, civil transport contractors and transporters by any other means of conveyance of people and goods in Tanzania and the neighbouring countries and in such other place or places as may from time to time be determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- i) To promote all endeavours leading to developing both the livestock and agricultural sectors of the national economy.
- j) 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, tyres and tubes, batteries, battery solution

and other spares, accessories, motor cycles, bicycles, tractors, mining equipments, fishing gears, agricultural and industrial machinery and 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.

- k) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- l) To carry on the business as importer, exporter of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- m) To carry on the business of general merchants, general store-keepers, universal providers, importers, exporters, wholesale and/or retail traders, dealers of piecewood, paints, hardware, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines, spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
- n) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or not, implements, utensils, appliances, apparatus, fuel for internal combustion engines,

lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.

- o) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate travelling to organise hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- p) To carry out the business of providing technical and allied services in the field of welding, metal fabrication, non destructive testing, quality assuarance, and to provide consultancy in technical services, oil storage tank erections and all other businesses which can be carried out in connection to the above.
- q) To carry on all any of the wholesale and/or retail as gemstones merchants, jewellers and/or dealers in and/or buy, sell market import export and/or general deal in all or any kinds of gemstones precious and semi-precious stones, gold silver and precious metals of whatsoever kind or description.
- r) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- s) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- t) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- u) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by

the Company in connection with the above business or the general business of the company.

- v) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- w) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- x) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- y) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- z) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- aa) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient..
- bb) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.
- cc) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- dd) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- ee) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.

- ff) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- gg) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of its objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- hh) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- ii) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- jj) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-

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

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

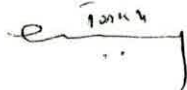

That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

- 4. The Liability of the Members is Limited.

5. The capital of the Company is Shillings 10,000,000/= divided into 1,000 shares of Shillings 10,000/= each.

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


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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
AHMED MURTADHA HASSAN P. O. BOX 2339 DAR ES SALAAM	200	
TOUFIQ SALIM TURKY P. O. BOX 2339 DAR ES SALAAM	300	

Dated at..... this..... day
of.....200.....

Witness to the above signatures

Name :

Signature : 

Postal Address :

Qualification :



THE COMPANIES ORDINANCE (CAP. 212)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

ZAINAB BOTTLERS LIMITED

PRELIMINARY

1. In these regulations:-
"The Ordinance" means the Companies Ordinance Chapter 212 of the Laws of Tanzania.

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

Unless the context otherwise requires, the expressions defined in the Ordinance 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 Table "A" in the first schedule to the Companies Ordinance (hereinafter called Table "A" shall 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 Table "A" 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 direction and without assigning any reason thereof refuse to register the transfer of any share to any person who it shall in their opinion be undesirable for any reason whatsoever to admit to membership.
- 4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
 - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every who may desire to sell or transfer any such shares and every personal 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.

Articles 39 to 53 Table 'A' shall apply subject 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. AHMED MURTADHA HASSAN
 - 2. TOUFIQ SALIM TURKY
7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be two.

9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

BORROWING POWERS

The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such 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.

ALTERNATION OR ADDITION

20. Subject to the provisions of the Ordinance 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.

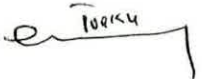
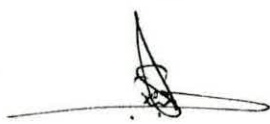
INDEMNITY

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 judgement is given in his favour or in which he is acquitted or is in connection with any application (under Section 345 of the Ordinance) in which relief is granted to him by the Court.

ARBITRATION

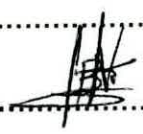
22. If and whenever any dispute or difference shall arise between the Company and any of the members or their respective representatives touching upon the construction or meaning of any of the Articles herein contained or any act matter or thing made or done or omitted to be done or with regard to the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

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
AHMED MURTADHA HASSAN P. O. BOX 2339 DAR ES SALAAM	200	
TOUFIQ SALIM TURKY P. O. BOX 2339 DAR ES SALAAM	300	

Dated at..... this..... day of.....200.....

Witness to the above signatures

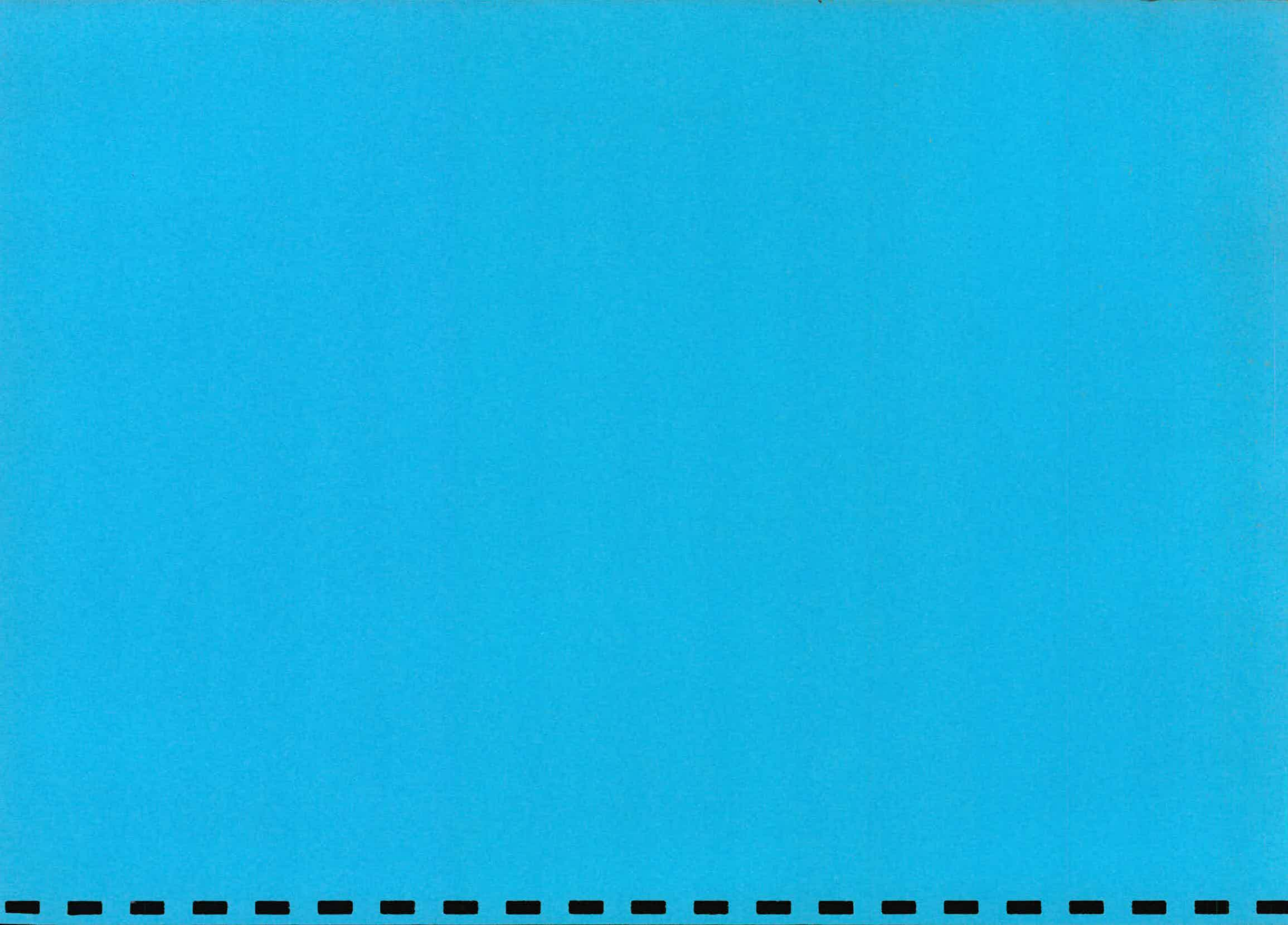
Name :

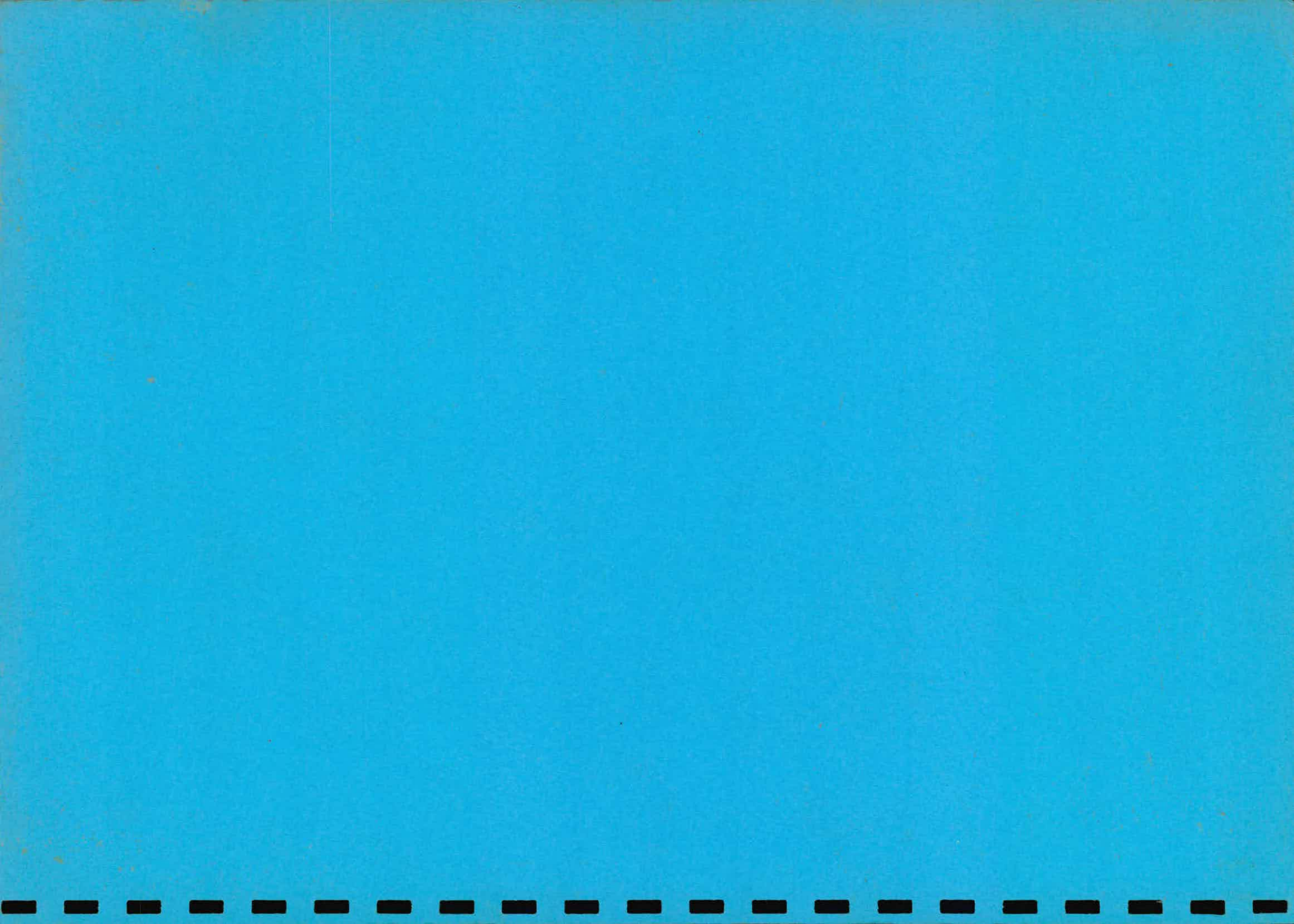
Signature : 

Postal Address :

Qualification :









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 TOUFIQ SALIM TURKY
.....
(director/directors/agent of ZAINAB BOTTLERS LIMITED
.....
(name of business enterprise) apply for registration of ZAINAB BOTTLERS LIMITED
.....
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 RED CROSS BUILDING ROOM 11
GROUND FLOOR - BIBI TITI / MOROGORO ROAD, DAR ES SALAAM
.....

Copies of the following documents are attached to this application: 5 2

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

3. The Head Office of the Company will be situated at PLOT NO: 45 MIBAGALA INDUSTRIAL AREA
.....

4. The Principal Officers of the Company are TOUFIQ SALIM TURKY
AHMED MURTAOHA HASSAN
.....
.....

5. Auditors of the Company are TO BE APPOINTED ON IMPLEMENTATION
.....
.....

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

7. The intended capital investment of the Company in terms of Section 2(2) of the Act

is Tshs./US\$ 1.850 MILLION

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\$

140,000/= Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, TOUFIQ SALIM TURKY of Post Office Number 2339 DAK GS

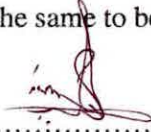
SALAAM do solemnly and sincerely declare that I am a director/duly

authorized agent of ZAINAB BOTTLERS LIMITED

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

Declared at Dar es Salaam }
}

The 28th day of April 2009

X 

Applicant

Before me:


.....
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: ZAINAB BOTTLERS LIMITED

Certificate of Incorporation Number: 51744 Status: NEW PROJECT

Certificate of Incorporation Date: 9th MARCH 2005

Post Box: 2339

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: FOOD & BEVERAGES

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>—</u>	<u>1.000</u>	<u>—</u>	<u>0.850</u>

Project Objectives: TO ESTABLISH AND OPERATE FACILITIES FOR PRODUCTION OF PURE DRINKING WATER, CARBONATED SOFT DRINKS AND MANUFACTURE OF PET G BOTTLES

Capacity: 9.0 million litres of drinks & 1800 tons of PET G bottles

Employment: Foreign: 5 Local: 60 Total: 65

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: Plot NO: 45

Street: MBAGALA INDUSTRIAL AREA District: TEMBEKE Region: DAR ES SALAAM
(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>TOUFIQ SALIM TURKY</u>	<u>Tanzanian</u>	<u>60%</u>
<u>AHMED MURTADHA HASSAN</u>	<u>Tanzanian</u>	<u>40%</u>
.....
.....
.....

Investment Breakdown US\$/Tshs.M

Land/Building	0.250
Plant	0.905
Vehicles	0.525
Furniture & Fittings	0.015
Pre-expenses	0.025
Others	
Working Capital	0.130
TOTAL	1.850

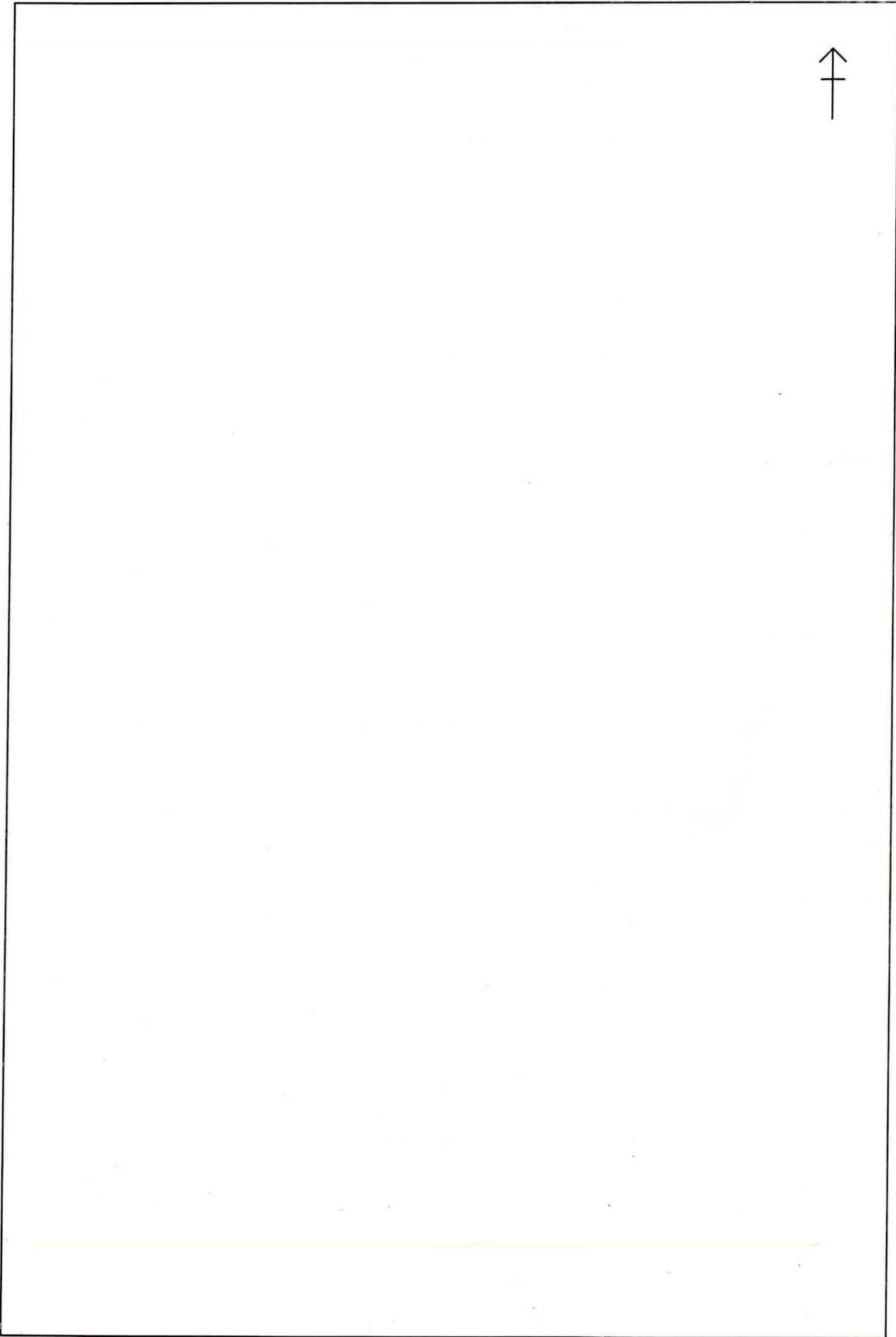
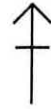
Contact Details:

Name: TOUFIQ SALIM TURKY Title: DIRECTOR
Telephone: 0784 417 200
0784 7878 37 Fax: 022 212 3504
Email: nitak @ etvsetcom.net

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





ZAINAB BOTTLERS LIMITED

Registered Office: Red Cross Building, Room 11 Ground Floor - Bibi Titi/Morogoro Road
Factory Site: Plot No: 45 Mbagala Industrial Area P.O. Box 2339 Dar es Salaam, Tanzania
Tel: +255 784 417 200/+255 784 78 78 37 Fax: +255 22 212 3504 E-mail :nitak@ctvsetcom.net

Ref. No: ZBL/TIC/2009/1

Date: February 5 2009

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



RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

We are a locally registered company formed with the principal objective of setting up in Dar es Salaam facilities for production of pure drinking water and carbonated soft drinks; and manufacture of PETG bottles for both own use as well as selling the extra production capacity.

We hereby submit our application for TIC Certificate of Incentives to facilitate smooth implementation of the project.

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

1. Three copies of Application for TIC Certificate of Incentives form
2. Certified true copy of Certificate of Incorporation
3. A certified copy of Company Memorandum and Articles of Association
4. Three copies of project Business Plan
5. Lease Agreement in respect of the project site
6. Banker's Letter of Reference
7. Company Board Resolution to register the project with TIC

Thanking you for your kind cooperation.

Yours sincerely,

ZAINAB BOTTLERS LIMITED


Toufiq S. Turkey
DIRECTOR

ZAINAB BOTTLERS LIMITED

Registered Office: Red Cross Building, Room 11 Ground Floor - Bibi Titi/Morogoro Road
Factory Site: Plot No: 45 Mbagala Industrial Area P.O. Box 2339 Dar es Salaam, Tanzania
Tel: +255 784 417 200/+255 784 78 78 37 Fax: +255 22 212 3504 E-mail :nitak@ctvsetcom.net

Ref. No: ZBL/TIC/2009/2

Date: February 6 2009

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

RE: REQUEST FOR A WAIVER ON AUDITED ACCOUNTS REQUIREMENT

As has been mentioned elsewhere, we are a locally registered company formed with the principal objective of setting up in Dar es Salaam facilities for production of pure drinking water and carbonated soft drinks; and manufacture of PETG bottles for both own use as well as selling the extra production capacity.

We wish to advise that although the company was incorporated way back in March 2005 for the purposes said above, the company has been dormant as during all that period we had been preparing and mobilizing funds for the project, and now we are ready to take off.

In light of the above background, we kindly request your good office to waive the AUDITED ACCOUNTS requirement.

Thanking you for your kind cooperation.

Yours sincerely,
ZAINAB BOTTLERS LIMITED


Toufiq S. Turkey
DIRECTOR

ZAINAB BOTTLERS LIMITED

Registered Office: Red Cross Building, Room 11 Ground Floor - Bibi Titi/Morogoro Road
Factory Site: Plot No: 45 Mbagala Industrial Area P.O. Box 2339 Dar es Salaam , Tanzania
Tel: +255 784 417 200/+255 784 78 78 37 Fax: +255 22 212 3504 E-mail :nitak@ctvset.com

EXTRACT FROM THE MINUTES OF THE BOARD OF DIRECTORS MEETING HELD AT THE COMPANY'S REGISTERED OFFICE AT RED CROSS BUILDING, ROOM 11 GROUND FLOOR, BIBI TITI MOHAMED/MOROGORO ROAD DAR ES SALAAM ON 2ND DAY OF JANUARY 2009

Present


- | | | |
|--------------------------|---|-------------------|
| 1. Toufiq Salim Turkey | - | Chairman/Director |
| 2. Ahmed Murtadha Hassan | - | Director |
| 3. Salim Hassan Turkey | - | Secretary |


AGENDA NO. 2/2009: APPLICATION FOR TANZANIA INVESTMENT CENTRE (TIC) CERTIFICATE OF INCENTIVES

At its meeting on 2nd day of January, 2009 the Board of Directors of Zainab Bottlers Limited resolved the following, inter-alia:

- o That the company apply for the Certificate of Incentive from TIC to facilitate implementation of the proposed project for establishing facilities for production of pure drinking water and carbonated soft drinks; and the manufacturing of PETG Bottles in Dar es Salaam
- o That Mr. Toufiq Salim Turkey, Director and Shareholder of this company be and is hereby authorized, directed and empowered to execute for and on behalf of this company and its name any and all documents required in connection with this application.

(By order of the Board)


.....
Chairperson


.....
Secretary



EX/1062/2009

06th May 2009

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

041687

Dear Sir,

RE: M/S ZAINAB BOTTLERS LIMITED.

This is to inform that Mr. Toufiq Salim H. Turkey & Mr. Ahmed Murtadha Hassan are persons of good standing and having satisfactory banking relationship with our Bank for long. We understand that they are promoting a company in the name of **M/s Zainab Bottlers Limited of P.O. Box 2339, Dar es Salaam**, which is in its preliminary stage of set up, intends to open an account with our Bank in the near future.

The request for the credit facilities, if any received from the company at a later date would duly be considered based upon the merits of the case.

Please note that, this information is given to you in strict confidence for your private use only and without any liability or responsibility on the part of the Bank or any of its officers.

Yours Sincerely,

**DINESH ARORA
GENERAL MANAGER**

Exim Bank (Tanzania) Ltd.

P.O. Box 1431, Dar es Salaam,
Tel: (255) 22-2113091 Fax: (255) 22-2119737
Website : www.eximbank-tz.com
E-mail: enquiry@eximbank-tz.com



Name of the Company
Zainab Bottlers Ltd.

Post Box	Mbagala Industrial Area Plot No. 45	COI Number	51744	Contact	Mr. Toufiq Salim Turkey
Post Office	2339	COI Date	03/09/2005	Designation	Director
Region	Dar Es Salaam	Application F. No	07675	Phone	0784 417 200
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0784 787 837
		Sub Sector	Beverages	Fax	022 2123 504
		File No	041689	E-Mail Address	nitak@ctvsetcom.net

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 45	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0</td> <td>1</td> <td>0</td> <td>0.85</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	1	0	0.85		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0	1		0	0.85								
Street	Mbagalla Industrial Area											
District	Temeke											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.25
Ahmed Murtadha Hassan	Tanzanian	40	Plant	0.905
Toufiq Salim Turkey	Tanzanian	60	Vehicles	0.525
			Furniture & Fittings	0.015
			Pre-expenses	0.025
			Others	0
			Working Capital	0.13
			Total	1.85

Employment	65	Evaluated By	Sospeter Ndelema Dome
Capacity	9.0 million litres of drinks and 1,800 tons of petg bottler	Drawn By	Dorah Registry
Project Turn Over			

Description

To establish manufacturing facilities for production of pure drinking water, carbonated soft drinks and PETG bottles

Recommendations

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

Decision

Approved
AS ED
Dorah

TICC/PP.10/041689/3

8 May 2009

Managing Director,
Zainab Bottlers Ltd,
P.O. Box 2339,
DAR ES SALAAM

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE PRODUCTION OF PURE DRINKING WATER, CARBONATED SOFT DRINKS AND PETG BOTTLES

We wish to acknowledge receipt of your project proposal to produce pure drinking water, carbonated soft drinks and PETG bottles as presented in the TIC P.A. 1 Form No. 07675 and Feasibility Study with a projected investment of USD 1.85 m.

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

- Bank Reference for equity funding or a letter from Bank/Financial Institution indicating 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. (To submit an affidavit by Toufiq Turkey allowing the Company to use Plot No. 45 Mbeya Industrial area for project activity and certify copy of title

You will also be required to submit to the Centre a Progress Report on the implementation of the project after every six months for our information and review. Guidelines for the preparation of the report are contained in annexure 2 also attached to this letter. Please do not hesitate to contact the Centre for any clarification if the need arises. Please also note that a facilitation fee equivalent to US\$ 750.00 is payable at the ruling exchange rate before your Certificate of Incentives is prepared. Please make deposit direct to the bank as per bank details below:

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

.../2

TICC/PP.10/041689/3

8 May 2009

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

Yours sincerely,

Tanzania Investment Centre



B. D. Chonjo

For: Executive Director

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

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

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

041689

4

JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA
STAKABADHI YA SERIKALI
EXCHEQUER RECEIPT

TFN: 614 (Rev. 8.94)

37886054

1

NIMEPOKEA KWA

Received from **ZAINAB BOTTLEERS LTD**

KIASI
Amount

Shs.					Cts.
USD				750	=

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words)

USD SEVEN HUNDRED AND FIFTY ONLY

NA SENZI
And Cents

KWA MALIPO YA
In respect of

CERTIFICATE OF INVESTMENT

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No.

SAHIHI YA MPOKEAJI

Signature

ASST. RECEIVING OFFICER
ACE
18/05/09

KITUO - Station

DSM



AFFIDAVIT

I, TOUFIQ SALIM TURKY, Moslem, adult, of Post Office Box 5804, Dar es Salaam solemnly affirm and sincerely state as follows :-

1. That I am a lawful owner and occupier of property on Plot No. 45 Mbagala Industrial area Dar es Salaam registered under certificate of title number 77520.

2. By mutual agreement with directors of ZAINAB BOTTLERS LIMITED I have allowed the said company to install their bottling company and perform the functions and operations in my plot.

3. WHAT I have stated above is true to the best of my own knowledge.

AFFIRMED at Dar es Salaam by the }
the said TOUFIQ SALIM TURKY, }
who is known to me personally / }
identified to me by _____ }
_____, the latter being }
known to me personally, in my }
presence, this 15th day of May, 2009. }



TOUFIQ SALIM TURKY

BEFORE ME:



COMMISSIONER FOR OATHS



Land Form 32B

TITLE NO.

77520

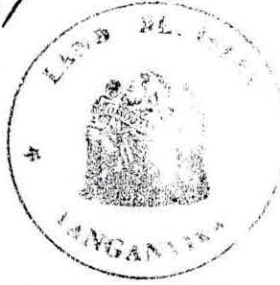
L.D/TM/995

REGISTERED

12-9-2007

AT

1:00 PM



[Handwritten Signature]

Senior Asst. Registrar of Titles

TANZANIA STAMP DUTY ACT

Stamp Duty Shs.

100/-

and Revenue Receipt No.

073064

of 23-12-1996

[Handwritten Signature]

Stamp Duty Officer

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF OCCUPANCY
(Section 9 of the Land Ordinance)

The

6th

day of September, Two thousand and Seven.

TITLE NO.....77520

THIS IS TO CERTIFY that **TOUFIQ SALIM TURKY OF P.O. BOX 5804, DAR ES SALAAM** (hereinafter called "the Occupier") is entitled to a Right of Occupancy (hereinafter called the Right") in and over the Land described in the Schedule hereto (hereinafter called "the Land") for a term of **ninety nine** years from the first day of **October**, One thousand nine hundred and **ninety six** according to the true intent and meaning of the Land Ordinance and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefore or amendment thereof and to the following special conditions

1. The Occupier having paid rent up to the thirtieth day of June, 1997, shall thereafter pay rent of shillings **One hundred sixty thousand (Tshs. 160,000/=)** only a year in advance on the first day of July in every year of the term without any deduction **PROVIDED** that the rent may be revised by the Minister for the time being responsible for lands (hereinafter called "the Minister") on the first day of July in each of the years **2006, 2016, 2026, 2036, 2046, 2056, 2066, 2076 and 2086** or within **three** years thereafter in each case.
2. The Occupier shall:-
 - (i) Erect on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by the Temeke Municipal Council (hereinafter called "the Authority");
 - (ii) By the **thirtieth day of March, 1997**, submit to the Authority such plans for the buildings, (including block plans showing the position of the buildings) and such drawings, elevations and specifications of them as will satisfy the Authority; and are in accordance with the building conditions in subparagraph (i) above which said plans and specification shall be submitted in triplicate;

I, Zakaria MAFTAH, Certify that- this is a true copy of the original document

Date 14th MAY, 2009

Signature *[Handwritten Signature]*

NOTARY

TANZANIA STAMP DUTY ACT

Stamp Duty Shs. 8080/-

an original Receipt No. 073064

of 23-12-1996

[Handwritten Signature]

Stamp Duty Officer

- (iii) Within six months from the date of notification by the Authority or approval of the plans and specifications referred to in sub-paragraph (ii) above begin building on the Land in accordance with such plans and specifications;
- (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the **thirty first day of September, 1999**;
- (v) At all times during the term after **the thirty first day of September, 1999**; have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner");
- (vi) Not erect or commence to erect on the land building except in accordance with building plans and specifications which shall have been first approved by the Authority as here in before provided;
- (vii) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the Director for Surveys and Mapping.

Approval of the plans of any building by the Authority shall not imply that the construction of such a building will satisfy the Occupier's obligation under the condition of the Right and shall not imply waiver or modification of any condition in the Right.

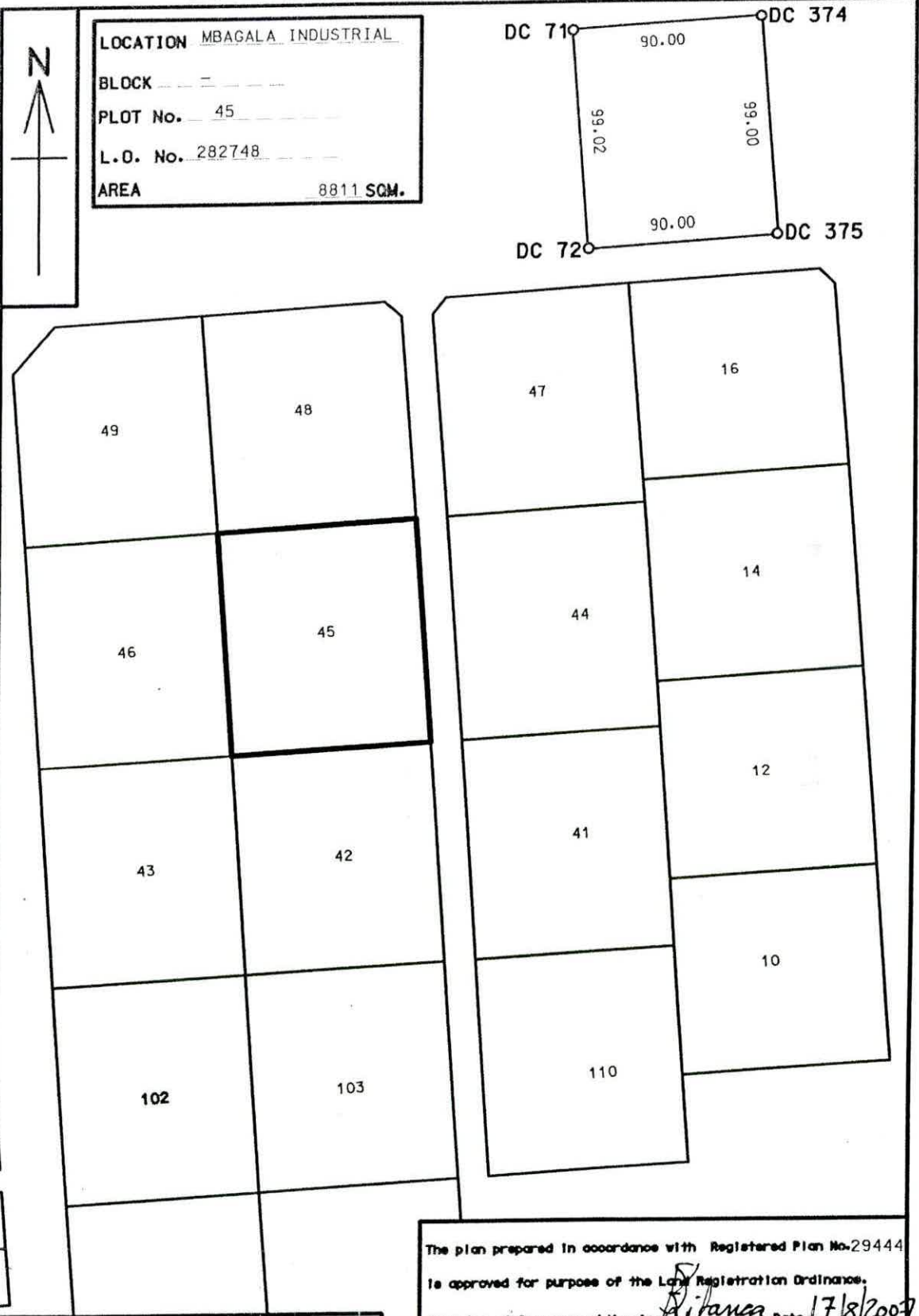
3.-(i) The Occupier shall not subdivide the land or assign, sublet or otherwise dispose of or deal with the whole or any part of it or of any building on it without the previous written consent of the Commissioner.

- (ii) Occupation or use of the whole or any part of the land or building on it by any person other than the Occupier or **its** employees agents contractors or members of the household shall be deemed dealing with the land or buildings.

4. Except as here in before provided the Commissioner shall have an absolute discretion to give or withhold consent under condition 3(i). Any dealing or agreement (other than a mortgage or charge) entered into before compliance with condition 2 (iv) will not receive consent except in special circumstances of which the Commissioner shall be the sole judge.

5. The Occupier shall further:-

DAR ES SALAAM CITY



The issue of this plan implies no guarantee or admission of title by the Government.

The plan prepared in accordance with Registered Plan No-29444
is approved for purpose of the Land Registration Ordinance.
Director of Surveys and Mapping *Rifanga* Date 17/8/2007
Ministry of Lands and Human Settlements, Dar es Salaam.

- (i) Make and maintain on the land throughout the term adequate arrangements for water supply drainage and disposal of trade refuse and effluent to the satisfaction of the Authority
- (ii) Make and keep all the buildings on the land rat-proof and carry out such measures as the Health Officer for the Authority may require for the purpose.
- (iii) Provide and maintain on the land ablution facilities and take and maintain such hygienic measures as may be required by the said Health Officer.
- (iv) Fence the land with good quality fencing, car parking spaces shall be provided as required by the Authority. Loading and unloading facilities shall be provided within the boundaries of the land.

6. The Occupier shall pay to the Minister on demand made by the Commissioner on his behalf:

- (i) any further fees or stamp duties which may be discovered to be payable by the Occupier in connection with the Right;
- (ii) an amount equal to any contribution in lieu of rates which may be payable by Government for the land during the term of the Right;
- (iii) such sum as the Commissioner shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoin, whether such demand is made before during or after such making or improvement thereof. This condition does not oblige the Government to make or improve roads.

7. **USER:** The land and the buildings to be built on the land shall be used for **INDUSTRIAL** purposes only. Use Group 'O' Use Class (a) as defined in the Town and Country Planning (Use Classes) Regulations, 1960 as amended in 1993.

8. The President may revoke the Right for good cause and in public interest.

SCHEDULE

ALL that Land known as Plot No. 45 Mbagala Industrial area, Dar es Salaam City containing Eight thousand eight hundred eleven (8811) square metres shown for identification only edged red on the plan attached to the Certificate and defined on the registered survey plan numbered 29444 deposited at the office of the Director for Surveys and Mapping at Dar es Salaam.

GIVEN under my hand and seal and by Order of the Minister the day and year first above written.

[Handwritten Signature]
COMMISSIONER FOR LANDS

I, the within named TOUFIQ SALIM TURKY hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said)
TOUFIQ SALIM TURKY)
who is known to me personally/identified)
to me by)

the latter being known to me personally)
in my presence this 30th day of)

August 2007.)

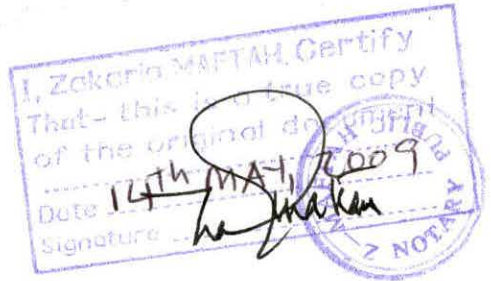
(Witness's)
Signature:.....

Postal address:.....

Qualification:.....



[Handwritten Signature]
TURKY



Land Form 32B

TITLE NO. 77520

REGISTERED 12-9-2007

AT 1:00 PM

Senior Tax: Registrar of Titles



L.O. No. 282748
L.D/TM/995

TANZANIA STAMP DUTY ACT
 Stamp Duty Shs. 100/-
 and Revenue Receipt No. 073064
 of 23-12-1996
 Stamp Duty Officer

THE UNITED REPUBLIC OF TANZANIA

CERTIFICATE OF OCCUPANCY
(Section 9 of the Land Ordinance)

The Gth day of September, Two thousand and Seven.
TITLE NO.....77520

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TANZANIA STAMP DUTY ACT
 Stamp Duty Shs. 8080/-
 on original Receipt No. 073064
 of 23-12-1996
 Stamp Duty Officer

- (iii) Within six months from the date of notification by the Authority or approval of the plans and specifications referred to in sub-paragraph (ii) above begin building on the Land in accordance with such plans and specifications;
- (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the **thirty first day of September, 1999**;
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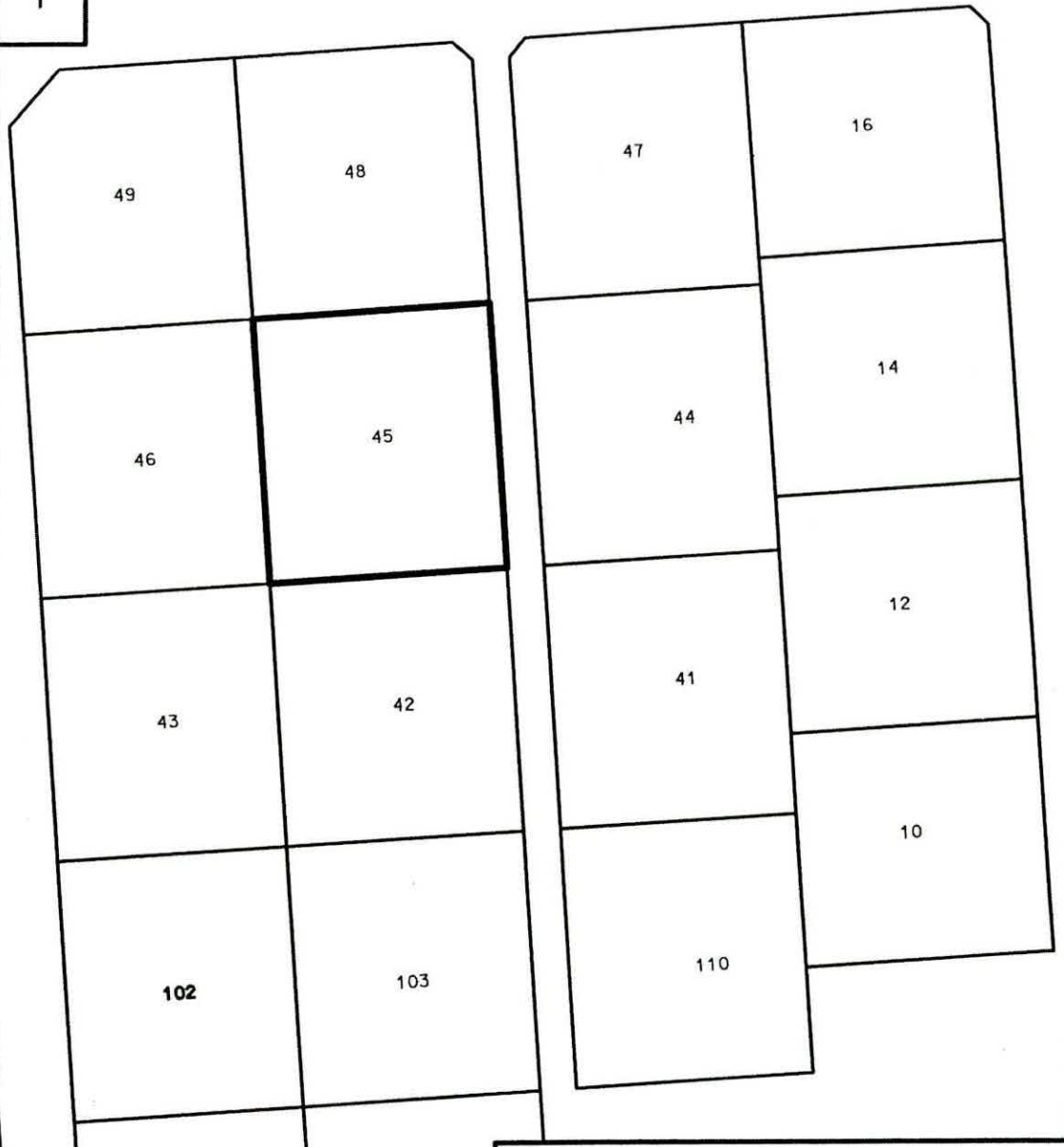
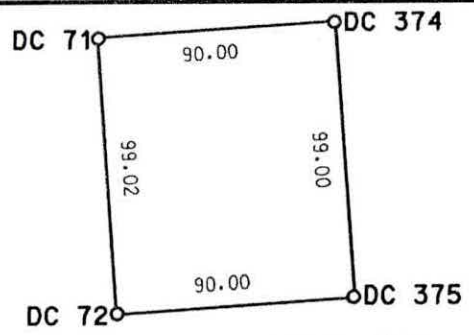
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5. The Occupier shall further:-

DAR ES SALAAM CITY



LOCATION MBAGALA INDUSTRIAL
BLOCK _____
PLOT No. 45
L.O. No. 282748
AREA 8811 SQM.



The issue of this plan implies no guarantee or admission of title by the Government.

The plan prepared in accordance with Registered Plan No. 29444
is approved for purpose of the Land Registration Ordinance.
Director of Surveys and Mapping *Rifanga* Date 17/8/2007
Ministry of Lands and Human Settlements, Dar es Salaam.

- (i) Make and maintain on the land throughout the term adequate arrangements for water supply drainage and disposal of trade refuse and effluent to the satisfaction of the Authority
- (ii) Make and keep all the buildings on the land rat-proof and carry out such measures as the Health Officer for the Authority may require for the purpose.
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- (i) any further fees or stamp duties which may be discovered to be payable by the Occupier in connection with the Right;
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- (iii) such sum as the Commissioner shall assess as a proper share payable for the land of the cost of making up the road or improvement of same upon which the land fronts, abuts or adjoin, whether such demand is made before during or after such making or improvement thereof. This condition does not oblige the Government to make or improve roads.

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8. The President may revoke the Right for good cause and in public interest.

SCHEDULE

ALL that Land known as Plot No. 45 Mbagala Industrial area, Dar es Salaam City containing Eight thousand eight hundred eleven (8811) square metres shown for identification only edged red on the plan attached to the Certificate and defined on the registered survey plan numbered 29444 deposited at the office of the Director for Surveys and Mapping at Dar es Salaam.

GIVEN under my hand and seal and by Order of the Minister the day and year first above written.

[Signature]
COMMISSIONER FOR LANDS

I, the within named TOUFIQ SALIM TURKY hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SIGNED and DELIVERED by the said)
TOUFIQ SALIM TURKY)
who is known to me personally/identified)
to me by)

the latter being known to me personally)
in my presence this 30th day of)

August)
2007.)

(Witness's)
Signature:..... *[Signature]*)

Postal address:..... *Box 2573*)

..... *D. Sa*)

Qualification:..... *Advocate*)



[Signature]
TOUFIQ

TANZANIA



Certificate of Incorporation

No 51744

I HEREBY CERTIFY THAT

ZAINAB BOTTLERS

..... Limited

is this day incorporated under the Companies Ordinance (Cap. 212) and that the Company is Limited.

Given under my hand at Dar es salaam

this 9TH day of MARCH

TWO THOUSAND AND FIVE

I, Zakaria MAFITAH Certify
That - this is a true copy
of the original document
Date

Signature *Zakaria Mafitah*



[Signature]

Asst. Registrar of Companies

