

EL SEWEDY CABLES TANZANIA LIMITED

Business Plan 2020 – 2024



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LIST OF ABBREVIATIONS

BOT	Bank of Tanzania
BRELA	Business Registration and Licensing Authority
CAGR	Compounded Annual Growth Rate
GDP	Gross Domestic Product
LTD	Limited
TIN	Tax Identification Number
TRA	Tanzania Revenue Authority
TSHS	Tanzanian Shillings
US	United States
USD	United States Dollars
VAT	Value Added Tax

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1 INTRODUCTION

1.1 Introduction

This is the Business Plan for a manufacturing industry by ElSewedy Cables Tanzania, for the period 2020-2024. It outlines the mission, vision and objectives as well as the strategic direction the organization intends to embark on in order to achieve its primary business objectives.

This business plan aims to achieve the following:

- Assist in transforming the company's strategic direction into specific and measurable goals and targets;
- Identify market opportunities and highlight strategies to assist the organization capture its target market; and
- Provide a road map on the key actions required by the company to achieve its objectives.

1.2 Sources of information

Sources of information for the development of this business plan comprised of the following:

- Promoters knowledge of the Industry;
- Review and analysis of regional industry information, industry publications and press information; and
- Specific information from various players in the market.

1.3 Contents of the report

To facilitate the reading of this report, the document is organized as follows:

Section 1: Introduction

This section provides an introduction, sources of information and contents of the report.

Section 2: Executive Summary

This section provides an overview of the entire business plan highlighting the key points.

Section 3: Promoters, Project background, concept and location

This section provides a brief overview of the promoters, project and location

Section 4: Tanzania Economic Overview

This section provides analysis of macro environment in Tanzania

Section 5: Manufacturing Industry Review

This section will examine the Industrial sector with the focus outlining the unexploited opportunities in the industry.

Section 6: Financial Projections

This section provides financial projections for the company. It includes key assumptions and highlights of the profit and loss account, balance sheet and cash-flow projections for the next five years.

Section 8: Conclusion and Implementation plan

In this section, an overall conclusion and implementation plan for the project is provided.

2 EXECUTIVE SUMMARY

2.1 Project Background

El Sewedy Cables Tanzania is a limited liability company incorporated in the United Republic of Tanzania under the companies Act, 2002. The company is a subsidiary of El Sewedy Electric Group. El Sewedy Electric Group roots go back over 70 years, running successfully 23 production facilities in 12 countries in Africa, Europe and Asia, exporting wide range of high quality and safe products to more than 110 Countries worldwide. The company is one of the world's most experienced manufacturing companies and we're considered one of the oldest & most successful industrial and trading business groups across the MENA Region.

In line with the same strategy, ElSewedy Electric Group is already playing a vital role as a leading integrated cables and electrical products manufacturer in the Middle East enhancing the volume of business and investments in Tanzania. Elsewedy capability to play this integral role is thanks to its ability to provide fully-fledged integrated energy solutions in sectors as diverse as: power generation, telecom solutions, energy measurement and management, turnkey projects and wind energy generation.

In the effort of establishing its presence in the United Republic of Tanzania, El Sewedy Cables Tanzania plans to establish a manufacturing industry in Tanzania which will in work hand in hand to its subsidiaries, sister companies and other customers.

COST OF MATERIALS

SUMMARY OF RAW MATERIAL

ITEM	TOTAL PRICE TZS
Planned Imported raw materials	238,697,491,400.00
Planned local raw materials	12,676,330,400.00

SALES

SUMMARY FOR QUANTITY OF CABLES SOLD

ITEM	QTY	TOTAL
	KM/MONTH	Ton
L.V. Copper and aluminum	89	100
special cables (Wires & Control Cables)	1,962	420
Overhead Conductors (AL. &ACSR)	3014	80

SUMMARY FOR CABLES SOLD

Item	Material cost	Sales	Profit
	(KM)	(KM)	(KM)
L.V. Copper and aluminum	379,071	672,198	293,126
special cables (Wires & Control Cables)	26,680	52,858	26,178
Overhead Conductors (AL. &ACSR)	15,216	23,831	8,615

2.2 Conclusion

El Sewedy Cables Tanzania Company has identified an ideal opportunity, which lends favor to the natural growth and progression of the company. Through the clear vision and drive of the shareholders, the development and effective operation of the company can be assured. Additionally, given the continuously increasing demand the use of electricity in rural and urban areas in Tanzania, El Sewedy Cables Tanzania is well positioned to be a profitable industry pioneer in the long-term.

3 PROJECT BACKGROUND

3.1 Background

Egypt & Tanzania have a historical relationship going back to 50 years of cooperation for peace, development, and an increased volume of trade exchange. Nowadays the mega projects executed in both countries are primarily geared towards developing and improving the infrastructure and expediting the economic growth of both countries.

In line with the same strategy, ElSewedy Electric Group is already playing a vital role as a leading integrated cables and electrical products manufacturer in the Middle East enhancing the volume of business and investments in Tanzania. Elsewedy capability to play this integral role is thanks to its ability to provide fully-fledged integrated energy solutions in sectors as diverse as: power generation, telecom solutions, energy measurement and management, turnkey projects and wind energy generation.

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In the effort of establishing its presence in the United Republic of Tanzania, El Sewedy Electric company plans to acquire some real state in Tanzania which will in turn be leased to its subsidiaries, sister companies and other customers.

3.2 Legal status

El Sewedy Cables Tanzania limited is a Tanzanian company incorporated in Tanzania and provided with a certificate of incorporation under the provision of section 15 of the companies Act 2002 and has been issued certificate of Incorporation by BRELA under number 140226378. company business objectives are, among others, to carry out manufacturing of electrical cables and other electric appliances accessories.

TIN number has been issued by TRA authority under section 23 of the tax administration act 2015. TIN Number 140226378

3.3 Company Ownership

The company's issued share capital is Tanzanian Shillings 1,150,000,000 Billion. The issued capital is 1,150,000,000 divided into 100 shares with a nominal value of 1,150,000 Tanzanian Shillings per share.

Table 4: List of Shareholders

S	Name	Number of Shares	%
1	ELSEWEDY ELECTRIC INTERNATIONAL BUSINESS FZE	99	99
2	ELSEWEDY PSP INTERNATIONAL FZE	1	1
Total		100	100

3.4 Profile of the Shareholders

The majority shareholder of the company El Sewedy Electric International Business FZE is one of the oldest & most successful industrial and trading business groups across the MENA Region.

Recently the company handled the following projects: -

- Beni Suef CCPP 4800 - the largest combined cycle.
- Rufiji Dam & Hydropower Plant
- AI AWEER "H" station phase IV Power Plant in Dubai
- Elixir of Life - Nuweibaa Seawater Reverse Osmosis (SWRO) desalination plant
- Cairo Capital SS1 500/220/66/22 kv GIS Substation
- 1bnEGP Underground Cables Power & Fiber Optic

3.5 Investment

The project requires an initial investment of USD 15 million. The investment is towards the initial setup of the manufacturing industry in Tanzania. The company plans to purchase various industrial sites within the jurisdiction of Tanzania..

3.6 Project Financing

The investment costs of USD 15 million will be financed through equity. The company shareholders will inject an equity of USD 15 Million.

4 TANZANIA BUSINESS ENVIRONMENT

4.1 Political Context

There is a broad consensus that the process of consolidating the transition towards participatory political system in Tanzania over the 25 years has achieved remarkable success. Whereas once predominantly under a single party hegemony, Tanzania today is characterized by a plurality of political parties.

Though slow, the growth of the independent civil society has gained momentum.

4.2 Socio-Economic Development

Population

With 947,300 square kilometers of land, Tanzania is the 31st largest country in the world and the 14th largest in Africa.

Tanzania is estimated to have a population of over 50 million people and has one of the highest birth rates in the world and more than 44% of the population is under the age of 15. The total fertility rate is 5.01 children born per woman, which is the 18th highest of any country.

Tanzania has a very low median age with more than 44.8% of the population under 15, 52% between 15 and 64 and just 3.1% over the age of 64.

Urbanisation

A review of Tanzania's population growth, internal migration and urbanisation for the past five-post Independence Census (1967, 1978, 1988, 2002 and 2012) provides a good highlight of urbanisation in the country.

Table 5: Tanzania (Mainland): Urban Population (1967 – 2012)

Year	1967	1978	1988	2002	2012
Urban					
Population	685,092	2,257,921	3,991,882	7,554,838	12,701,238
Growth Rate	-	11.5%	5.9%	4.7%	5.3%
Dar-es-salaam					
Population	272,821	769,445	1,205,443	2,336,055	4,364,541
Growth rate	-	9.9%	4.6%	4.8%	6.5%
Tanzania (Mainland)					
Population	11,975,757	17,036,499	22,507,047	33,461,849	43,625,354
Growth Rate	-	3.3%	2.8%	2.9%	2.7%

Within the urban population, the position of Dar es Salaam has always been dominant, accounting for 34.4% of the urban population in 2012. Growth rates for the 19-other principal regional towns of Tanzania have also generally been quite rapid but more variable.

The smaller settlements classified as urban grew rather faster, both in number and size, accounting for 34% of the urban population by 2012 compared with only 7% in 1967. The number of towns other than regional capitals with a population of over 10,000 was none in 1967; 14 in 1978; 38 in 1988; 80 in 2002; and 150 in 2012.

4.3 Macro-economic Performance

Tanzania maintains an economy highly dependent on agriculture, contributing an estimated 30% to GDP and employing nearly 80% of the working population. The service sector—which has been growing rapidly in recent years—accounts for approximately 47%. The industrial sector, dominated by the construction sub-sector, accounts for 23% of the GDP.

Tanzania's macro-economic performance for over 10-years period has been impressive, underpinned by steady implementation of policy/structural reforms; weathered through the global recession occurred in 2009; but can and should do better improving productivity and competitiveness.

Table 6: Tanzania: GDP Growth Rate (2008-2015)

Year	2008	2009	2010	2011	2012	2013	2014	2015
GDP Growth	7.4%	6.0%	7.0%	6.4%	6.9%	7.0%	7.1%	7.0%

Statistically, 2002-2012 averages indicate that Tanzania's fastest growing sub-sectors (annual average of more than 8%) were mining and quarrying (9.9%), manufacturing (8.6%), Wholesale and retail trade (8.3%), Transport and communication (11.1%) and Financial Intermediation (10.6%). Hotel and Restaurants grew by 6%.

The external sector of the economy improved following a declining current account deficit that stood at 8.1% of GDP in 2015. Export growth driven by regional trade in manufactured goods and reduced imports bill from cheaper imported oil contributed to this decline.

4.4 Economic Sectors Review

The Services are the largest sector of the economy in Tanzania, and their share of GDP stood at 43.9% in 2012. While the average growth rate for the service sector was around 8% between 2001 and 2012, very rapid growth within a number of service sub-sectors was critical to explaining Tanzania's higher growth rates in recent years.

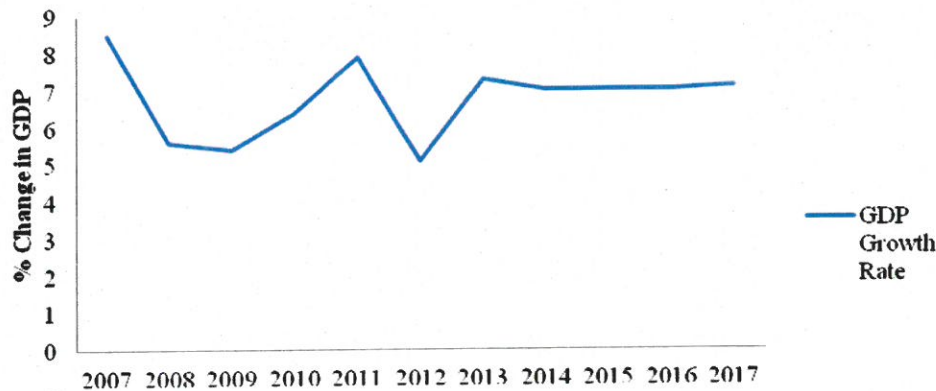
The industrial sector has experienced impressive growth rates. The industrial growth was driven primarily by the rapid expansion of mining. Growing at an average of 13% across the 2000s, mining is now the biggest recipient of FDI and accounts for 40% of exports. The main minerals mined in Tanzania are gold, diamonds, iron, coal, nickel, Tanzanite, uranium and the recently discovered offshore and onshore deposits of natural gas. Tanzania is now Africa's third largest gold-producing country after South Africa and Ghana.

Tanzania's Gas production took off in 2015, and the country's recoverable natural gas reserves are now estimated at 57 trillion cubic feet. In a poverty-stricken and aid dependent country like Tanzania, natural gas revenues are likely to stimulate a wide range of opportunities for scaling-up the rate of growth through enhanced domestic resource mobilization and investment.

Tanzania achieved a GDP growth of 7.1% in 2017. The value of annual Gross Domestic Products at 2007 constant prices in absolute terms increased to Tshs 50.5

trillion in 2017 from 47.1 trillion in 2016. The main contributors to growth in 2017 were: mining and quarrying (17.5 percent), Water Supply (16.7 percent), Transportation and Storage (16.6 percent), Information and Communication (14.7 percent) and Construction (14.1).

Figure 1: Growth Rate of Gross Domestic Product (GDP) – Annual Percentage



SOURCES

1. Bank of Tanzania (www.bot-tz.org)
2. National statistics bureau of Tanzania (www.mbs.go.tz)

4.5 Income and Income Distribution

GDP per capita shows how much of the country's total income each person would get if it was divided equally. However, an increase in per capita income does not always translate into social development or poverty reduction.

According to the 2014 Global Human Development Report, Tanzania's GDP per capita income (constant 2011 PPP\$) in 2012 was \$1,654 compared to the global average of \$13,599 (UNDP 2014).

Dar es Salaam is the richest region in Tanzania with GDP per capita of more than Tshs. 1,600,000, whereas Kigoma region is the poorest region with GDP per capita of barely Tshs. 600,000 in 2012. The other five wealthiest regions are Iringa, Arusha, Ruvuma, Kilimanjaro and Mbeya. With the fast population growth, the country has experienced increased GDP per capita which is a sign of output growth.

According to the Central Bank of Tanzania (BOT), in 2012, Dar-es-salaam was the richest region in Tanzania with GDP of Tshs. 7.5 trillion followed by Mwanza with GDP of Tshs. 4.09 trillion and third is Mbeya with GDP of Tshs. 3.2 trillion.

Table 7: Tanzania (Mainland): Regional GDP at current Market Prices (2007 – 2014-2015)

Tanzania (Mainland): Regional GDP at Current Market Prices (2007 - 2014)										Shs. million
REGION/YEAR	2007	2008	2009	2010	2011	2012	2013	2014	Percentage	
Dar -es salaam	4,174,004	5,235,448	6,484,117	7,368,793	8,807,745	10,402,309	12,259,974	13,664,110	17%	
Mwanza	2,315,821	2,850,517	3,468,976	4,016,270	4,769,027	5,619,758	6,654,600	7,451,706	9%	
Mbeya	1,915,970	2,352,899	2,762,034	3,226,572	3,849,235	4,500,842	5,272,770	5,910,522	7%	
Shinyanga	1,604,994	1,987,053	2,246,973	2,659,742	3,181,439	3,693,951	4,203,285	4,710,940	6%	
Iringa	1,435,513	1,771,758	1,965,354	2,310,923	2,791,441	3,224,478	3,677,346	4,123,066	5%	
Morogoro	1,447,953	1,659,720	1,841,074	2,136,943	2,602,233	3,001,144	3,433,705	3,852,961	5%	
Arusha	1,209,310	1,515,015	1,762,138	2,136,514	2,497,812	2,929,003	3,366,418	3,773,519	5%	
Tanga	1,494,190	1,606,756	1,782,323	2,037,701	2,505,042	2,884,020	3,312,524	3,702,020	5%	
Kilimanjaro	1,260,747	1,566,492	1,737,659	1,952,844	2,426,866	2,788,912	3,217,876	3,606,689	5%	
Kagera	1,078,323	1,323,798	1,496,960	1,711,292	2,091,867	2,418,560	2,793,235	3,130,034	4%	
Tabora	1,099,529	1,361,029	1,524,403	1,686,498	2,110,684	2,426,906	2,786,134	3,122,090	4%	
Ruvuma	1,072,773	1,331,171	1,476,625	1,616,732	2,042,814	2,341,755	2,699,334	3,026,759	4%	
Mara	1,031,773	1,271,159	1,410,056	1,589,876	1,971,697	2,266,604	2,612,931	2,915,540	4%	
Rukwa	926,214	1,152,772	1,303,563	1,482,717	1,818,199	2,100,974	2,414,520	2,708,989	3%	
Manyara	918,491	1,139,786	1,264,327	1,455,527	1,781,579	2,052,714	2,353,486	2,645,435	3%	
Dodoma	807,032	999,783	1,141,329	1,390,889	1,629,710	1,904,068	2,151,647	2,415,052	3%	
Kigoma	813,172	994,223	1,124,275	1,229,885	1,545,842	1,779,335	2,051,034	2,287,944	3%	
Mtwara	648,206	804,940	892,894	1,258,435	1,363,242	1,625,221	1,788,397	2,009,895	3%	
Lindi	518,742	626,865	695,361	843,880	999,604	1,159,599	1,312,577	1,477,630	2%	
Singida	491,592	599,573	665,087	898,282	997,621	1,178,718	1,305,922	1,469,686	2%	
Pwani	506,084	614,183	681,294	825,706	978,880	1,135,341	1,285,513	1,437,909	2%	
Total	26,770,432	32,764,940	37,726,824	43,836,018	52,762,581	61,434,214	70,953,227	79,442,499	100%	

4.6 Inflation

Annual Headline Inflation Rate for the month of June 2018 eased to 3.4% from 3.6% recorded in May 2018. This moderation in inflation was mainly on account of a decrease in non-food (4.5% to 4%) and energy (21.2 to 16.8) inflation rates. Food and Non-Alcoholic beverages inflation rate for the month of June 2018 increased to 3.4% from 2.6% recorded in May 2018.

Figure 2: Inflation trend – (2013 – 2018)**SOURCES**

1. National statistics bureau of Tanzania (www.mbs.go.tz)

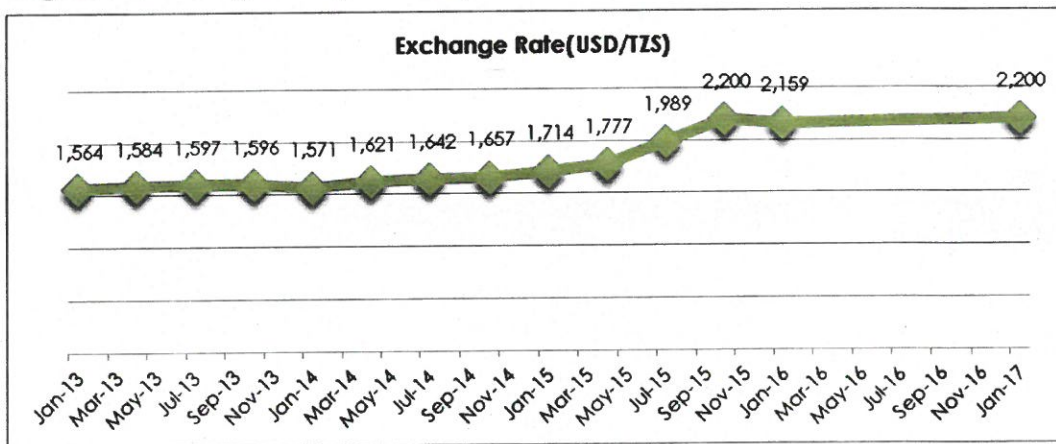
4.7 Exchange rates (Tshs:USD)

The Tanzania shilling has been relatively stable from 2011 to 2014. However, since the beginning of 2015, it has failed to hold against the US dollar (TSHS 2,266 / 1 USD as at 30th June 2018) and currencies of other major trading partners.

During the 1st and 2nd quarters of 2016, Tanzania shilling has stabilised against the US Dollar. External dynamics, notably a strong US Dollar and related shifts in investor perceptions towards emerging markets are the causes for the turbulences in the shilling currency.

The quarterly trend on the exchange rate against the US Dollar is presented below.

Figure 3: Exchange Rate (USD/TZS)



4.8 Conclusion

Growth in population and Per capita Income can be observed over the past five years. This implies that there is an increased in the market (customer base) and increased disposable income, which suggests that through the formulation of a sound strategy, there is a strong opportunity for ELSEWEDY CABLES TANZANIA LIMITED to establish a long term presence in the market.

5 INDUSTRY ANALYSIS

5.1 Manufacturing Industry Analysis

As a direct beneficiary of the government's current economic strategy, which focuses on major infrastructure, housing and energy investment, and a key player in the ongoing shift of government functions from Dar es Salaam to Dodoma, the construction industry is undergoing significant expansion in both absolute and relative terms. The pace of growth has been fast, with the overall sector valuation jumping from Tshs 2.4 Trillion in 2013 to Tshs 3.2 Trillion by 2017, but its contribution to GDP declined from 3.3% in 2013 to 2.7% in 2017 on mainland Tanzania, and increased from 5.7% to 8.2% on the Zanzibar archipelago. The government is betting that short-term struggles caused by rooting out corruption will pay dividends over the long term by providing a more predictable operating environment in which domestic builders can thrive. Tanzania has a relatively young real estate sector, with large-scale commercial development only taking off in the 1990s. While public sector actors historically handled the largest projects in the country, private sector players are now playing an increasingly important role in developing residential, office and commercial space. However, the industry in mainland Tanzania is growing more slowly than the economy overall, with its contribution to GDP declining steadily in the past 10 years, from 6.1% in 2006 to 3.2% in 2015. Cost sensitivity remains a significant concern, not only directly in terms of house sales, but also indirectly in terms of demand for formal retail and commercial space, since approximately three-quarters of the population live on \$2 or less per day. As a result, the country will most likely have to depend on government intervention and innovative financing to help address demand at the lower end of the real estate market, while higher-end residential and commercial spaces are left in the hands of private sector developers.

5.2 General Overview of Property Market in Dar es Salaam

Property market in Dar es Salaam incorporates office, residential, industrial and retail. The prime office market in Tanzania continues to be focused in Dar es Salaam and it is centred in the traditional CBD, the Gardens area to the east of the city and increasingly moving north of Salendar Bridge on Ali Hassan Mwinyi Road, Bagamoyo Road and Msasani Peninsula. Dar-es-salaam's residential market is comprised of a number of tiers, with the higher end of the scale concentrated north of Salendar bridge, across the entire Msasani Peninsula and extending northwards to Mbezi and, to a limited extent, beyond. The industrial sector is principally located along Nyerere Road, leading from the CBD to the airport, and along Nelson Mandela Road, leading from the port, via the TAZARA railway station, around the city. There are two further industrial areas in Mikocheni and Chang'ombe. These industrial units are typically vast plots of some 20,000 to 150,000 m², with old dilapidated warehouses, offices, canteens and other facilities that are no longer relevant to today's market.

5.3 General Overview of retail Market in Dar es Salaam

The retail market still principally revolves around small downtown specialist shops in National Housing Corporation buildings run, in the main, by the Indian Community and other retail outlets are in containers. This sector competes with on-

street sales in ad hoc temporary pavement “outlets”, known locally as “Wamachinga”, sometimes on a massive scale such as in areas like Kariakoo and Manzese. Unconfirmed estimates put the percentage of clothing and shoes sold in shops at 20% against those sold from outside formal retail outlets at 80%. A large majority of goods sold “off pavement” are second hand, imported directly from Europe, Far East and the United States. The city council has somehow managed to reduce the number informal retail outlets within the last three years.

COST OF MATERIALS

SUMMARY OF RAW MATERIALS

ITEM	TOTAL PRICE TZS
Planned Imported raw materials	238,697,491,400.00
Planned local raw materials	12,676,330,400.00

SALES

SUMMARY FOR QUANTITY OF CABLES SOLD

ITEM	QTY	TOTAL
	KM/MONTH	Ton
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Wiring & control Cables	3014	80

SUMMARY FOR SALES OF CABLES

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Wiring & control Cables	26,680	52,858	26,178
Overhead Conductors (AL .)	15,216	23,831	8,615

PRE-OPERATING EXPENSES (Indirect Costs)USD

Description	COST
Salary of P.M for 18 months	100,000
Housing & transportation of P.M for 15 months	50,000
Salary of training stuff for 18months	48,000
Housing & transportation of training stuff for 18 months	40,000
Feasibility study	50,000
Legalization cost	50,000
Flight Tickets	55,000

Hospitality	50,000
Interest costs during construction	60,000
L/C Comission (machinery)	79,136
Subtotal	582,136
Other Assets	
Office Equipment/Furniture	100,000
Computer Hardware	150,000
Total Fixed Assets	9,043,833
Total Capex	14,170,833
Land	900,000

CAPEX

Utilities and Tools

ITEM	UNIT	Price /unit	Total Cost
Transformer1.6 MVA	2	40,000	80,000
Nitrogen Generator	2	40,000	24,860
MV Panel (1.6 MV)	1	12,430	75,000
Main LV Panel	1	75,000	200,000
LV distribution Panels	1	200,000	200,000
lighting internal	1	200,000	182,000
lighting external	1	182,000	20,000
AIR COMPRESSORS Station	1	20,000	180,000
WATER CHILLERS	2	180,000	200,000
Generators - 100 KVA (CAT)	1	100,000	40,000
Generators - 1275 KVA (CAT)	1	40,000	220,000
water piping & water station	1	220,000	30,000
air piping	1	30,000	20,000
water piping	1	20,000	50,000
cable trays	1	50,000	98,000
Fire Fighting Systems	1	98,000	50,000
piping for fire fighting	1	50,000	25,000
Physical test lab	1	25,000	170,000
L.V Test lab.	2	170,000	50,000
Dryers for materials	2	25,000	345,780
Steam Boilers	1	172,890	96,000
welding electrical machine	2	96,000	10,000
Threading and pointing machine	1	5,000	30,450
ink pump printer	1	30,450	19,725
sequential meter marker	2	19,725	30,000
ink jet printer	1	15,000	12,000

crushers 600E	1	12,000	42,000
crushers 150E	1	42,000	20,000
welding cold pressure (handheld)	3	20,000	4,752
welding cold pressure (pneumatic)	2	1,584	10,890
Mechanical work shop	1	5,445	203,000
carpentry work shop	1	203,000	0
Dies and die shop	1	0	118,500
Complete Inprocess Lab	1	118,500	150,000
Rollers	1	150,000	0
Steel bobbins	1	0	172,800
Tools for installation	1	172,800	100,000
Others	0	100,000	0
balance 60 Ton	1	0	40,000
balance 15 Ton	1	40,000	8,000
balance 2 Ton	1	8,000	5,000
balance 1 Ton	1	5,000	4,000
balance 30 Kg	1	4,000	1,500
Total Utilities & Tools			3,339,257

Rolling Assets

ITEM	UNIT	Price /unit	Total Cost
Forklift 3 ton	2	21,000	42,000
Forklift 7 ton	1	67,000	67,000
Forklift 10 ton	1	78,000	78,000
Forklift 15 ton	1	139,500	139,500
Passengers Cars	5	30,000	150,000
Double Cabin	1	23,000	23,000
Total Rolling Assets			499,500

Machines and Equipment

ITEM	UNIT	Price /unit (TZS)
HEAVY DRAWING COPPER 1-Wire	1	265,000
HEAVY DRAWING ALUMINUIM 1-wire	1	200,000
MI 14 WIRES	1	315,000
BUNCHER 800 Flex.(7 pay off 800)	1	65,000
DT 1250	1	110,000
RIGID STRANDER 19 WIRES	1	150,000
REWINDING MACHINE 2600	1	106,000
HIGH SPEED INSULATION 100	1	190,000
INSULATION/SHEATHING 120 MM	1	340,000
DT 2600	1	25,000
AUTOMATIC COIL WINDING LINES 400	1	98,000
TUBULAR 7 WIRES	1	260,000
RIGID STRANDER 61 WIRES	1	280,000
BUNCHER 630 Flex.(2 pay off 800)	1	400,000
SHEATHING LINE 150 mm	1	260,000
DT 2600	1	360,000
COILING MACHINE wires (Air coil)	1	75,000
COILING MACHINE Cables (Air coil)	1	75,000
Pallet wrapping machne	1	
Total Machine & Equipment		4,955,076

CUSTOMS

Item	Costs
Clearance	35,740
Insurance & Transportation	35,740
Installation & Commissioning	142,960
Spare Parts	212,636
Cables	954,000

OVERHEAD

Utilities	Unit Cost	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Electricity Consumption	900	3,240,000	3,780,000	4,320,000	4,860,000	5,400,000
Electricity Cost	0	221,165	267,057	295,248	367,815	422,987
Electricity Cost	7	262	262	262	262	262
Electricity Service Fees	6	69	69	69	69	69
Water Consumption	500	6,000	6,000	6,000	6,000	6,000
Water Cost	0	0	0	0	0	0
lubricant AL OIL	40	40	40	40	40	40
lubricant Cost	310	12,400	12,834	13,283	13,748	14,229
lubricant CU OIL	6	6	6	6	6	6
lubricant cu oil Cost	400	2,400	2,484	2,571	2,661	2,754
Total		221,165	267,057	295,248	367,815	422,987

6 FINANCIAL PROJECTIONS

6.1 Introduction

In this section, we outline the financial projections developed as part of this business plan.

The assumptions used to derive the financial projections and the projected financial statements are presented in the following sub-sections.

6.2 Financial Projections

The financial forecasts have been prepared over a five-year period. The projected profit and loss, balance sheet, and cash flow statements are included as part of this business plan.

6.2.1 Basis of preparation

In preparing the financial projection we have used assumptions from various sources including the following:

- Bank of Tanzania and IMF – Macroeconomic assumptions
- Tanzania Revenue Authority – Tax rates
- Management Information
- Our analysis of the industry

6.2.2 Revenue Assumptions

Revenue

- Projected to grow at 16% CAGR for the next five years. The company estimates an occupancy of 60% in the first year followed by an increase of 10% in occupancy in the subsequent years. The average rental price is expected to increase by 2% in the next five years. The increase is in line with the United States of America (USA) Inflation rate.

6.2.3 Overheads Assumptions

Overheads are assumed to grow by inflation

6.2.4 Working Capital Assumptions

Table 9: Working Capital

Trade receivable days	30	Days
Trade payable days	45	Days
Other payable days	60	Days

6.2.5 Financing Assumptions

The company projects that the investment will be fully funded by equity. The funds will be used to purchase real estate property for letting.

7 CONCLUSION AND IMPLEMENTATION PLAN

7.1 Project Feasibility

Technical Feasibility

The project is feasible from a technical point of view given the availability of the necessary manpower with the technical skills for driving efficient operational delivery. One major point of concern is the continued stability of the industry locally and in the region. This is something that El Sewedy will monitor very closely.

The management and operational skills for the proposed project are available in the local market, though it might not be easy to identify and engage.

Operational Feasibility

The main factors that would affect the operational feasibility of the project are risks management and the cost of operations.

Market unpredictability is the greatest challenge. The real estate industry is affected by the macroeconomic as well micro economic factors.

Risk management could be controlled by charging in USD.

Environmental Feasibility

Service of professionals will be used to make sure that the implementation of the project will not cause environmental concern.

Financial Feasibility

The table below (APPENDIX 1) presents the financial feasibility summary based on Net Present Value (NPV) and Internal Rate of Return (IRR). The NPV results show that the project is an attractive investment.

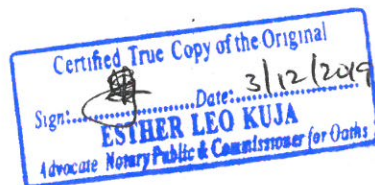
7.2 Implementation Plan

Table 11: Implementation Plan

Activity	Details	Responsible Person	Time (Months)	August	September	October	November	December	January
1	Obtain equity from shareholders/parent company	Promoters/Consultants	1						
2	Purchase Properties	General Manager and Finance Manager	2						
3	Produce and distribute marketing materials to raise awareness	Marketing and Sales Team/Promoters	Continuous						
4	Begin aggressive sales and marketing campaign	General Manager/Marketing Manager/Sales Manager	Continuous						

THE COMPANIES ACT NO. 12 OF 2002
COMPANY LIMITED BY SHARES
MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
ELSEWEDY CABLES TANZANIA LIMITED

Incorporated this day of2019



Drawn By,
KW KAPINGA & PARTNERS
(PROMOTER)
PLOT 1, JITEGEMEE RD
MSASANI BEACH
DAR ES SALAAM
P.O BOX 75886
TANZANIA

- f) To carry on the business of research and development, design, provision of technical assistance and licenses, consulting and otherwise of manufacturing systems including production control and quality control and improvement of production lines relating to above objects.

In furtherance of the foregoing objects, the Company shall have the following powers:

- g) To carry on and undertake trading business of all sorts and to act as indentors, importers, exporters, traders, suppliers and commission agents of products, commodities and materials, in any form or shape manufactured or supplied by any company, firm, association of persons, body, whether incorporated or not, individuals, Government, Semi-Government or any local authority.
- h) To carry on the business of general and common carriers by land, car and water, railway, aircraft, shipping and forwarding agents, haulage contactors and warehousemen, proprietors and hirers of vehicles of all kinds howsoever propelled for use on land or water or in air including minibuses, motor cars, motor vans, taxis motor lorries, motor cycles of every description.
- i) To advertise all or any of the services of the Company in any way thought advisable, including the posting of bills in relation thereto, and the issue of books, pamphlets and price lists and conducting of competitions and giving of prices thereof.
- j) To acquire by purchase, lease, exchange or otherwise, whether in possession or in reversion, and whether vested or contingent, lands, houses, buildings, offices, workshops, premises and any fixed and moveable machinery, tools, engines boilers, plant, implements, patterns, stock-in-trade, patents and patent rights, and here ditaments, tenements and here ditaments of any tenure, whether subject or not to any charges, encumbrances, and to hold or to sell, let, alienate, mortgage, charge or otherwise deal with all or any of such lands, tenements or here ditaments for the betterment of the objects of the company.
- k) To enter into any guarantee contract of indemnity of surety ship and in particular (without prejudice to the generality of the foregoing) to guarantee the payment of any principal moneys, premia, interest and other moneys secured or payable under any obligation or securities and the payment of dividends and premia on, and the repayment of the capital of stocks and shares of all kinds and descriptions.
- l) To act and carry on the business as commissioned and del credere agents, manufactures and commercial, representatives (whether local or

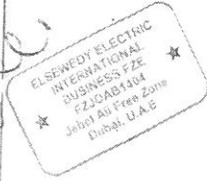
seem directly or indirectly to benefit the company and to sue exercise develop or grant licenses in respect, or information so acquired and to expand money in experimenting upon, testing or improving any such patents, inventions or rights.

- r) To amalgamate or enter into partnership whether perpetual or terminable for sharing profits, unions of interest, joint venture, reciprocal concession or cooperation with any persons, firm, association or group of person carrying on or engaged in or about to carry on or engage in any business transaction or cause of action which may seem to the Company capable of being conducted so as directly or indirectly to benefit the Company or to prevent or minimise apprehended loss, damage or cost to the Company or to such person, firm society, association or group of persons and to purchase, subscribe for or otherwise acquire and hold shares (fully or partly paid up) or stock in or society, association or group of persons, and to sell, hold, re-issue with or without guarantee or otherwise deal with such shares, stock or securities.
- s) To acquire and undertake the whole or any part of the business, goodwill, and property and liabilities of any person, firm or company carrying on or proposing to carry on, any of the businesses which the company is authorized to carry on, or possess property suitable for the purpose of this company and as part of the consideration for such acquisition, to undertake all or any of the liabilities of such person, firm or company, or to acquire an interest in, amalgamate with, or enter into any arrangement for sharing profits, or for cooperation or for limiting competition, or for mutual assistance with any such person, firm or company, and give or accept by way of consideration for any of the acts or things aforesaid, or property acquired, any shares, debentures, debenture stock, or securities that may be agreed upon and to hold and to retain or sell, mortgage and deal with any shares, debentures, debenture stock, or securities so received.
- t) To purchase or otherwise acquire all or any part of the business property and liabilities of any Company, society, partnership or persons, formed for all or any part of the purposes within the objects of the Company and to conduct any part of the purposes within and carry on or liquidate and wind up, any such business;
- u) To manufacture, buy, sell and generally deal in any plant, machinery, tools, goods, or things of any description which in the opinion of the Company may be conveniently dealt with by the Company in connection with any of its objects.
- v) To improve, manage, develop, exchange, mortgage, let on rent or in consideration of a share of profits, either in money or kind or otherwise grant licences, easements and rights of and over and in any manner dispose of the property and rights of the Company;

- gg) To provide for the welfare of persons in the employment of the Company or formerly in the employment of the company or its predecessors in business and the wives, widows, and families of such persons by grants of money, pensions or other payments and to form, subscribe to or otherwise and benevolent religious, scientific national or other institution or objects, which shall have any moral or other claims to support or aid by the Company by reason or the nature or the locality of its operations of otherwise;
- hh) From time to time to subscribe or contribute to any charitable, benevolent, or other useful object or a public character the support of which will, in the opinion of the Company, tend to increase its repute or popularity among its employees, its customers, or the public;
- ii) To enter into any partnership or joint-purse arrangement or arrangement for sharing profits union of interest or cooperation with any company, firm or person carrying on or proposing to carry on any business within the objects of this Company and to acquire and hold, sell, deal with or dispose of shares, stocks or securities of any such company and to guarantee the contracts or liabilities of, or the payment of the dividends, interest or capital of any shares, stocks or securities of and to subsidize or otherwise assist any such company.
- jj) To carry on, develop, extend and turn to account any trade, business or operation whatsoever which can in the opinion of the company be advantageously or conveniently carried on by the Company by way of extension of or in connection with all or any of the trade, business and operations which the Company is authorized to carry on or is calculated directly or indirectly to develop any branch of the Company assets, property or rights;
- kk) To do all or any of the matters hereby authorized in any part of the world either alone or in conjunction with or as by or through factors, trustees or agents;
- ll) Generally to do all such other things as may appear to be incidental or conducive to the attainment of the above objects or any of them. AND IT IS HEREBY DECLARED that in the interpretation of this clause the powers conferred upon the Company by any paragraph shall not be restricted by reference to any other paragraph or to the name of the Company or by the juxtaposition of two or more objects, nor shall any of the same as is expressly provided, but so that the Company shall have full powers to exercise all or any of the powers conferred by any part of this clause and every paragraph hereof shall be construed in such a way as to widen and not restrict the powers of the Company;


WE, the several persons whose names and address 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

Name and address of subscribers	Number of shares taken by each subscriber	Signature/Seal of Subscribers
<p>Elsowedy Electric International Business FZE</p> <p>Address: Office No. FZJOAB1404 Jebel Ali Free Zone Dubai United Arabs Emirates</p>	99	<p>DIRECTOR 1 Name: Mohamed Naguib Ali Mohamed Signature: </p> <p>DIRECTOR 2 Name: Hussien Mohamed Mahmoud Khalil Signature: </p>
<p>Elsowedy PSP International FZE</p> <p>Address: DSO-HQ-4-ABCN Alliance Business Center Dubai Silicon Oasis Dubai United Arabs Emirates</p>	1	<p>DIRECTOR Name: Mohamed Naguib Ali Mohamed Signature: </p>



Dated at Dar-es-salaam this 17 Day of 10 2019.

Witness to the above signatures

Signature: 

Name: PENDO JOSEPH

Postal address: 8627, DSM

Qualification: ADVOCATE



"Year" means calendar year.

Expression referring to writing shall, unless the contrary intention appear, be construed as including other modes of representing or reproducing words in visible form.

Unless the context otherwise required, words or expressions contained in these Articles shall become binding upon the Company.

The expressions "Debenture" and "Debenture holder" shall include "Debenture Stock" and "Debenture Stockholder", and the expression "Secretary" shall include a temporary or assistant Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.

Save as aforesaid any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these presents.

The marginal notes are inserted for convenience only and shall not affect the construction of these presents.

Words importing the singular number only shall include the plural and the converse shall also apply.

2. The Regulations contained in Table 'A' of the first schedule to the Act shall not apply to the Company.
3. The Company is a PRIVATE COMPANY and accordingly:-
 - (a) The right to transfer shares is restricted in the 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 having been formerly in the employment of the Company were while in such employment and have continued to be Members of the Company) is limited to fifty PROVIDED THAT where two or more persons hold one or more shares in the Company jointly they shall for the purpose of this Article be treated as a single Member.
 - (c) Any invitation to the public to subscribe for any Shares or debenture of the Company is prohibited;
 - (d) The Company shall not have power to issue share warrants to bearer;

Subject to the provision, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of the existing shares, any shares may be issued with such

winding up. To every such separate general meeting the provisions of these regulations relating to general meetings shall apply mutatis mutandis except that the necessary quorum shall be two persons at least holding or representing by proxy, one-half in nominal amount of the issued shares of the class (but so that if at any adjourned meeting of such holders a quorum as above designed is not present, those Members who are present shall be a quorum), and that the Holders of shares of the class shall, on a poll, have one vote in respect of every share of the class held by them respectively..

9. In addition to all other powers of paying commissions, the Company (or the Directors on behalf of the Company) may exercise the powers of paying commissions conferred by the Act, provided that the rate per cent, or the amount of the commission paid or agreed to be paid, shall be disclosed in the manner required by the Act and the rate of the commission shall not exceed the rate of Ten per cent (10%) of the price at which the shares in respect of which the commission is paid are issued or an amount equivalent thereto. The Company (or the Directors on behalf of the Company) may also on any issue of shares pay such brokerage as may be lawful.
10. Shares may be held in the Company in trust for beneficial owner.

CERTIFICATES

11. Every person whose name is entered as a Member in the Register shall without payment, be entitled to receive within two months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) a certificate under the seal of the Company specifying the share of any one class or several certificates each for one or more of his shares or shares held jointly by several persons upon payment of such sum, as the Directors shall from time to time determine. The certificate shall specify the shares or securities to which it relates and the amount paid up thereon. Provided that the Company shall not be bound to register more than three persons as the joint holders of any shares, except in the case of executors of trustees of a deceased Member and in the case of shares held jointly by several persons, the Company shall not be bound to issue more than one certificate therefore, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such Holders.
12. The Company shall be entitled to treat the person whose name appears upon the Register in respect of any share or shares as the absolute owner thereof and shall not be under any obligations to recognize any trust or equity or equitable claim to or partial interest in such share or shares whether or not it shall have express or other notice thereof

CALL ON SHARES

17. The Directors may from time to time make calls upon the Members in respect of any moneys (whether on account of the amount of the shares or by way of premium) unpaid on its shares provided that (except as otherwise fixed by the conditions of application or allotment) no call on any share shall exceed one-fourth of the nominal amount of the share, or be payable at less than one thirty (30) days from the last call and the Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. If at any time there shall be joint holders of a share, such joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. A call may be made payable by instalments.
18. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is payable shall pay the sum plus interest at the rate of eight percent per annum from the day appointed for the payment thereof to the date of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
19. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, whether on account of the amount of the shares or by way of premium, shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
20. The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
21. The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the times of payment.
22. The Directors may if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon

may reasonably require to show the right of the transferor to make the transfer; and

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

RIGHT OF PRE-EMPTION

29. Shares in the Company shall be transferred to a person who is not a Member of the Company in the following manner:-

- (a) Every Member who wishes to transfer any of its shares ("the Seller") shall give to the Company at the registered office of the Company notice in writing ("the Transfer Notice"). The Transfer Notice shall contain the terms herein set out for the sale of the share or shares specified therein ("the Transfer Shares") to the Members other than the Seller ("the Remaining Shareholders") at a fair value (the "Seller's Price") and shall be forwarded forthwith to the Remaining Shareholders by the Company. The Remaining Shareholders will have Twenty-one (21) days from the date of dispatch by the Company of the Transfer Notice to declare their interest in writing to purchase the Transfer Shares.
- (b) The Board shall forthwith upon receipt of the Transfer Notice, direct the Auditors to certify the fair value of the shares comprised in such notice in accordance with article 32 (c) hereof.
- (c) The fair value of shares for the purposes of this article shall be such a price as shall be certified in writing by the Auditors of the company for the time being as being, in their opinion, the fair value of the said shares and in so certifying the auditors shall pay no regard as to whether the shares comprise in such sale notice from part of a majority or minority holding in the company. In carrying out the obligations created by this Article the auditors shall be considered to be acting as experts and not as arbitrators, and in so determining the fair value of the shares their decision shall be final and binding..
- (d) If the Directors within twenty-eight (28) days after the receipt by the Company of the certificate of the Auditors of the fair value of the shares specified in the Transfer Notice find a Member willing to purchase any share comprised therein (hereinafter described as a "purchasing Member") and shall give notice thereof to the Seller, the Seller shall be bound upon payment of the fair value to transfer the share to such purchasing Member. The Directors shall, with a view to finding a purchasing Member, offer any shares comprised in the

TRANSMISSION OF SHARES

30. In case of the death of a Member the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
31. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence as to his title being produced as may from time to time be required by the Directors, and subject as hereinafter provided, either be registered himself as holder of the share or elect to have some person nominated by him registered as the transferee thereof.
32. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall testify his election by executing to his nominee a transfer of such share. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
33. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares, but he shall not be entitled to receive notice of or to attend or vote at meetings of the Company or, save as aforesaid, to any of the rights or privileges of a Member until he shall have become a Member in respect of the share, and should he fail either to transfer the share or to elect to be registered as a Member in respect thereof within sixty days of being required so to do by the Directors, he shall in the case of shares which are fully paid up be deemed to have elected to be registered as a Member in respect thereof, and may be registered accordingly.

FORFEITURE OF SHARES

34. If a member fails to pay the whole or any part of any call or instalment of a call on the appointed day for payment thereof, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued and all expenses which may have been incurred by the Company by reason of such non-payment.
35. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by

proceedings with reference to the forfeiture or expropriation, sale or disposal of the share.

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

ALTERATIONS OF CAPITAL

43. The Company may by Ordinary Resolution:-
- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
 - (b) Cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.
 - (c) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights over, or may have such deferred rights, or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares.

And may by Special Resolution:-

- (d) Reduce its capital or any capital redemption reserve fund or any share premium account in any manner authorized by the Act.

STOCK

44. The Company may by Ordinary Resolution convert any paid-up shares into stock, and reconvert any stock into paid-up shares of any denomination.
45. The holders of stock may transfer the same, or any part thereof in the same manner, and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Directors may from time to time fix the minimum amount of stock transferable but so that

51. The accidental omission to give notice to, or the non-receipt of notice by, any Member, shall not invalidate the proceedings at any General Meeting.

PROCEEDINGS AT GENERAL MEETINGS

52. All business shall be deemed special that is transacted at an Extraordinary Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of declaring dividends, the reading and consideration of the accounts and balance sheet and the ordinary reports of the Directors and documents required to be annexed to the balance sheet, the election of directors and appointment of Auditors and other officers in the place of those retiring by rotation or otherwise, the fixing of the remuneration of the Auditors and the voting of remuneration or extra remuneration to the Directors.
53. Any person entitled to be present and vote at a meeting may submit any resolution or amendment to the meeting, provided that at least five and not more than fourteen clear days before the day appointed for the meeting he shall have served upon the Company a notice in writing signed by him, containing the proposed resolution or amendment and stating his intention to submit the same.
54. Upon receipt of any such notice as in the last proceeding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution or amendments will be proposed. Any resolution or amendment of which such notice has not been given shall in the case of a resolution and may in the case of an amendment be ruled out of order, and the ruling of the Chairman shall be conclusive.
55. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business; save as herein otherwise provided two members, one of which must be present in person or by proxy there shall be a quorum for all purposes.
56. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be a quorum.

poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

63. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. No notice need be given of a poll not taken immediately.
64. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

65. Subject to any special rights or restrictions as to voting attached by or in accordance with these presents, to any class of shares, on a show of hands, every Member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for each number of shares held.
66. In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members.
67. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his nominee, curator bonis, or other person in the nature of a nominee or curator bonis appointed by such Court, and such nominee, curator bonis or other person may on a poll vote by proxy, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than three days before the time for holding the meeting.
68. No Member shall, unless the Directors otherwise determine, be entitled to vote at a General Meeting either personally or by proxy, or to exercise any privilege as a Member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
69. No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.
70. Votes may be given either personally or by proxy. On a show of hands a Member (other than a corporation) present only by proxy shall have no

less than two not more than six in number. All Directors shall be elected and removed by the shareholders. The first directors of the company shall be:-

1. ABDELFATTAH IBRAHIM ELATTAR
2. IBRAHIM KHALIL IBRAHIM QAMAR

77. The Directors shall be paid out of the funds of the Company by way of remuneration for their services, such sum as the Company in General Meeting may from time to time determine. The Directors shall also be paid all reasonable travelling, hotel and other expenses incurred by them in connection with attending and returning from Board Meetings or otherwise in connection with the business of the Company.
78. Any Director who serves on any committee or who devotes special attention to the business of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine, which shall be charged as part of the Company's ordinary working expenses.
79. The office of a Director shall be vacated in any of the following events, namely:-
- (a) If (not being an Executive Director holding office as such for a fixed term) he resigns his office by writing under his hand left at the Office.
 - (b) If he has a receiving order made against him or compounds with his creditors.
 - (c) If he be found lunatic or of unsound mind.
 - (d) If he be absent from meetings of the Directors for six months without leave and the Directors resolve that, by reason of such absence, his office be vacated.
 - (e) If he be removed from office pursuant to Article 82.
80. A Director may hold any other office or place of profit under the Company (other than the office of Auditor) and may act in a professional capacity for the Company in conjunction with his office of Director, on such terms as to remuneration and otherwise as the Board may determine, and no Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit, or as vendor, purchaser or otherwise, nor shall any such contract, or any contract arrangement entered into by or

86. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Act or by these presents required to be exercised by the Company in the General Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.
87. The Directors may arrange that any branch of the business carried on by the Company or any other business in which the Company may be interested shall be carried on by or through one or more subsidiary companies, and they may on behalf of the Company make such arrangements as they think advisable for taking the profits or bearing the losses of any branch or business so carried on or financing, assisting or subsidizing any such subsidiary company or guaranteeing its contracts, obligations or liabilities and they may appoint, remove and re-appoint any persons (whether members of their own body or not) to act as directors, executive Directors or managers of any such company or any other company in which the Company may be interested, and may determine the remuneration (whether by way of salary, commission on profits or otherwise) of any person so appointed, and any Directors of this Company may retain any remuneration so payable to them.
88. The Directors may from time to time and at any time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretion vested in him.
89. The Company may exercise the powers conferred by the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.
90. The Company, or the Directors on behalf of the Company, may cause to be kept in any part of the world in which the Company transacts business, a Branch Register or Registers of Members resident there and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit respecting the keeping of any such Register.

have the same status as meetings at which the Directors have physically convened.

95. The Directors may fix the quorum necessary for the transaction of the business of the Directors, and unless so fixed at any other number shall be Two.
96. The continuing Directors may act notwithstanding any vacancies in the Board, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents, the continuing Directors or Director may act for the purpose of filling up vacancies in the Board or of summoning General Meetings of the Company, but not for any other purpose. If there be no Directors or Director able or willing to act, then any shareholder may summon a General Meeting of shareholders for the purpose of appointing Directors.
97. If at any meeting the Chairman or Deputy Chairman, if any, shall be not present within fifteen minutes after the time appointed for holding the same, the Directors present may choose one of their members to be Chairman of the meeting.
98. A resolution in writing, signed the by a minimum of two Directors for the time being, shall be effective as a resolution passed at a meeting of the Directors duly convened and held, and may consist of several documents in the like form, each signed by one or more of the Directors.
99. A meeting of the Directors for the time being, at which a quorum is present, shall be competent to exercise all powers and discretion for the time being exercisable by the Directors.
100. Without prejudice and in addition to the Provisions of Article 83, the Directors may delegate any of their powers to committees consisting of such number of members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors.
101. The meetings and proceedings of any such committee, consisting of two or more members, shall be governed by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not superseded by any regulations made by the Directors under the last preceding Article.
102. All acts done by any meeting of Directors, or of a committee of Directors, or by any person acting as a Director, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director, or person acting as aforesaid, or that they or any of them were disqualified, or had vacated office or were not entitled to vote, be as valid as if every such person had been duly appointed, and was qualified and had continued to be a Director and had been entitled to

- a) the Director of the Company: or
- b) a corporation the Director of which is the Director of the Company;
- c) the Director of a corporation which is the Director of the Company;

AUTHENTICATION OF DOCUMENTS

107. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company (including the Memorandum and Articles of Association) and any resolutions passed by the Company or the Board, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts there from as true copies or extracts, and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid.

DIVIDENDS

108. Subject to any special rights as to dividend attached to any new class of shares in accordance with these presents, the profits of the Company available for dividend and resolved to be distributed in respect of any financial year or other period for which the Company's accounts are made up and submitted to the Company in General Meeting shall be apportioned and paid to the Members according to the amounts paid on the shares held by them respectively during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date, such share shall rank for dividends accordingly.
109. No dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors.
110. Any General Meeting declaring a dividend may resolve that such dividend be paid wholly or in part by the distribution of specific assets, and in particular of paid up shares, debentures or debenture stock of the Company, or paid up shares, debentures or debenture stock of any other company, or in any one or more of such ways.
111. If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay to the holders of any class of shares interim dividends thereon of such amounts and on such dates as they think fit.

CAPITALISATION OF PROFITS AND RESERVES

118. The Company in General Meeting may, upon the recommendation of the Directors, resolve that it is desirable to capitalize any undivided profits of the Company not required for paying the fixed dividends or Preference Shares if any (including profits carried and standing to the credit of any reserve or reserves or other special account), and accordingly that the Directors be authorized and directed to appropriate the profits resolved to be capitalized to the Members in the proportions in which such profits would have been divisible amongst them had the same been applied in paying dividends instead of being capitalized, and to apply such profits on their behalf, either in or towards paying up the amounts, if any, for the time being unpaid on any shares held by such Members respectively, or in paying up in full unissued shares, debentures or securities of the Company of a nominal amounts equal to such profits, such shares, debentures or securities to be allotted and distributed credited as fully paid up, to and amongst such Members in the proportion aforesaid, or partly in one way and partly in the other.

ACCOUNTS

119. The Directors shall cause proper books of account to be kept with respect to:-

- (a) all sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure takes place;
- (b) all sales and purchases of goods by the Company; and
- (c) The assets and liabilities of the Company.

120. The books of account shall be kept at the Office or at such other place as the Directors think fit, and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Act or authorized by the Directors or by the Company in General Meeting.

121. The Directors shall once at least in every year lay before the Company in General Meeting a profit and loss account and a balance sheet containing a general summary of the capital, the assets, and the liabilities of the Company arranged under suitable heads, both made up to a date not more than six months before the meeting.

122. Every such balance sheet as aforesaid shall be signed on behalf of the

WINDING-UP

128. If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the Court), the liquidator may with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares in respect of which there is a liability.

INDEMNITY

129. Subject to the provisions of the Act every Director, Managing Agent, Auditor, Manager, Secretary or officer or Servant of the Company shall be entitled to be indemnified by the Company Against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto.
130. No Directors, Managing Agent, Auditor or other officers of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency or any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damages or misfortune whatsoever which shall happen in relation to the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty.