

GLE GYPSUM PRODUCTS LTD

MINUTE SHEET

Dokezo
No. 1.0

Ag. EXD

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

(a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 3.0m

(b) Legal entity has been incorporated under certificate

No. 84530 of 15/07/2011

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

DIF

25th August, 2011

2.0

EXD

In response to the TIC letter of registration dated 25th August 2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from NIC Bank Tanzania Ltd

(c) Sales Agreement and letter of no objection from Mkwinda District Council

With the above submission EXD is requested to sign Certificate of Incentives No. 042087 herein attached.

4/10/2011





00218076

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042087

This is to certify that

EAGLE GYPSUM PRODUCT LIMITED

of address P.O. BOX 104499

DAR ES SALAAM


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

EAGLE GYPSUM PRODUCT LIMITED

Which is located at MIEMBE SABA, KIBAHA

COAST (PWANI)

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


Ag. Executive Director

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

Dated 4TH OCTOBER 2011



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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Li Yang	Chinese	40
Zhao Xiu Zhou	Chinese	20
Liu Gang	Chinese	40

2. Proposed Activities : To establish a project for manufacturing of gypsum boards and powder

3. Sector: Manufacturing Subsector: Gypsum Powder & Gypsum Board

4. Investment cost: Foreign USD 3m. Local - Total USD 3m.

5. Project Financing: Equity USD 3m. Loans - Total USD 3m.

6. Source, terms and conditions of loan

7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 3m.	-	USD 3m.

8. Technology Agreement None

9. Date of TIC Registration: 25th August 2011

10. Implementation period August 2011 - September 2014

11. Operative date August 2014

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997 And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (i) Applicable Import Duty As per Income Tax Act, 2004 (as amended)
 - (ii) Applicable with-holding Tax As per Income Tax Act, 2004 (as amended)
 - (iii) Eligibility of Capital Allowances As per Income Tax Act, 2004 (as amended)

13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.

14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre

15. Additional conditions attached to Certificate

Finished goods are not allowed under this Certificate

Signed _____
Ag. Executive Director

EAGLE GYPSUM PRODUCTS LIMITED

P.O. Box 104499, Dar es salaam

Date: July 20th 2011

The Executive Director
Tanzania Investment Centre
P.O. Box 938
Dar es salaam
TANZANIA



Dear Sir,

RE: PROJECT FOR MANUFACTURING GYPSUM POWDER & GYPSUM BOARDS

We are in the process of establishing a project for manufacturing gypsum powder and gypsum boards at Miembe Saba Area, Kibaha District, Coast Region. It is due to this reason that we kindly submit our application for TIC Certificate of Incentives to facilitate smooth implementation of our programme.

Attached herewith please find the following basic documents for your perusal and necessary action:

1. One (1) duly completed and signed Application Form for TIC Certificate.
2. A copy of our Certificate of Incorporation
3. A copy of the company's Memorandum and Articles of Association
4. Evidence of Land Ownership for Project Location.
5. A letter of Credibility from our Bankers
6. Company Board Resolution to register with TIC
7. A copy of our Business Plan.

Thank you in for your kind consideration

Yours' sincerely

EAGLE GYPSUM PRODUCTS LIMITED

A handwritten signature in blue ink, appearing to read "Liu Gang".

Liu Gang
MANAGING DIRECTOR



3

TICC/PP.10/042087/3

25th August, 2011

Managing Director,
Eagle Gypsum Products Ltd.,
P.O. Box 104499,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A PROJECT FOR MANUFACTURING OF GYPSUM
BOARDS AND POWDER**

We wish to acknowledge receipt of your project proposal to establish a project for manufacturing of gypsum boards and powder as presented in the TIC P.A. 1 Form No. 09380 and Feasibility Study with a projected investment of USD 3m.

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.

You will 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:-

TICC/PP.10/042087/3

25th August, 2011

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

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

Yours sincerely,

TANZANIA INVESTMENT CENTRE



B.D. Chonjo

FOR: EXECUTIVE DIRECTOR

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

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

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



TIC Evaluation Report

Name of the Company
Eagle Gypsum Product Ltd.

Post Box	Miembe Saba	COI Number	84530	Contact	Mr. Samueli Samson Nyanduga
Post Office	104499	COI Date	15/07/2011	Designation	Managing Director
Region	Miembe Saba	Application F. No	09380	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0784 456 688 Or 0767 456 688
		Sub Sector	Gypsum Powder & Gypsum Board	Fax	0
		File No	042087	E-Mail Address	Nyanduga1@Gmail.Com

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Miembe Saba	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	3	0	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
3	0		0	0									
Street	Miembe Saba												
District	Kibaha												
Region	Coast (Pwani)												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.3
Zhao Nu Zhou	Chinese	20	Plant	1.8
Li yang	Chinese	40	Vehicles	0.35
Liu Gang	Chinese	40	Furniture & Fittings	0.02
			Pre-expenses	0.1
			Others	0.15
			Working Capital	0.28
			Total	3

Employment	35	Evaluated By	,wf officer2
Capacity	xxxxx	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

Description

To establish a project for manufacturing of gypsum boards and powder

Recommendations

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

Decision

Approved

AG EXD

24-08-11

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

37894990

Shs.					Cts.
USD	7	50	=		

EXCHEQUER RECEIPT

NIMEPOKEA KWA
Received from

EAGLE GYPSUM PRODUCTS LTD

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

USDollar SEVEN HUNDRED FORTY ONLY

KWA MALIPO YA
In respect of

CERTIFICATE OF INCENTIVES

KWA FEDHA TASLIMU/HUNDI
NAMBA By Cash/Cheque No.

D/DODGEMENT 0019/2011

KITUO - Station

SAHIHI YA MPOKEAJI
Signature

Receiving Officer

CHEO - Title

Acc

TAREHE - Date

05 SEP 2011



HALMASHAURI YA MJI WA KIBAHA

BARUA ZOTE ZIPELEKWE KWA MKURUGENZI WA MJI

S.L.P 30112

SIMU Na: 023 - 2402886



OFISI YA MKURUGENZI

MJI KIBAHA

Kumb.KTC/L.30/3Vol.177

TANZANIA INVESMENT CENTER.

BOX 938

DAR ES SALAAM

3/10/2011



RE: EAGLE GYPSUM CO.LTD

The above named company acquired land at Miembesaba locally within Kibaha Township, Coast region.

We acknowledge this acquisition of land as per minutes which identify their local ownership of the land.

Meanwhile the processes are underway regarding the request to be granted right of occupancy.

With this short note I request your good office to accommodate their request favorably.

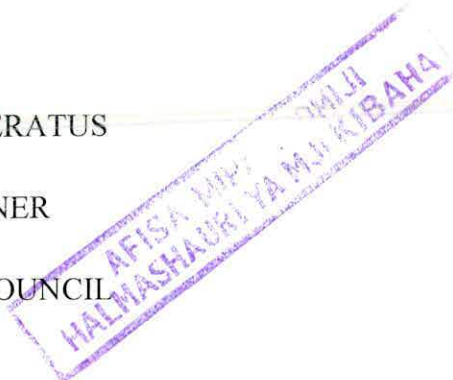
With regards.



RUTEGANYA SPERATUS

TOWN PLANNER

KIBAHA TOWN COUNCIL



Investment Breakdown US\$/Tshs-M

Land/Building	300,000
Plant	1,800,000
Vehicles	350,000
Furniture & Fittings	20,000
Pre-expenses	100,000
Others	150,000
Working Capital	280,000
TOTAL	3,000,000

Contact Details:

Name: SAMUELI SAMSON NYANDUGA Title: MANAGER
Telephone: 0784 456688/0767 456688 Fax:
Email: nyanduga1@gmail.com

Payments to be made payable to:

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

APPLICATION SUMMARY

Company Name: EAGLE GYPSUM PRODUCTS LTD

Certificate of Incorporation Number: 84530 Status:

Certificate of Incorporation Date: 15th JULY 2011

Post Box: 104999

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: GYPSUM POWDER GYPSUM BOARD

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity Foreign Loan Local Loan

USD 3,000,000

Project Objectives: ESTABLISH A PROJECT FOR MANUFACTURING GYPSUM BOARDS AND GYPSUM POWDER

Capacity:

Employment: Foreign: 7 Local: 28 Total: 35

Implementation Period: 5 YRS

Project Location

Site/Plot/Block No.:

Street: MIEMBE SABA District: KIBATA Region: CONST

(Attach sketch map showing project location)

Table with 3 columns: Shareholders, Nationality, %

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 3,000,000.....
8. The month and day of the financial year end is 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\$ 750..... Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, SAMUELI SIMPSON NYANDUCA of Post Office Number 104499.....

DAR ES SALAAM do solemnly and sincerely declare that I am a director/duly authorized agent of EAGLE GYPSUM PRODUCTS LTD.....

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

Declared at Dar es Salaam }
 }
 The 20 day of JULY 2011 }.

Sale
 Applicant

Before me:

NANCY ANGELO MAPUNDA
 Advocate, Notary Public &
 Commissioner for Oaths
 P.O. Box 20787
 DAR-ES-SALAAM

Nancy Angelo Mapunda

 Commissioner for Oaths

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

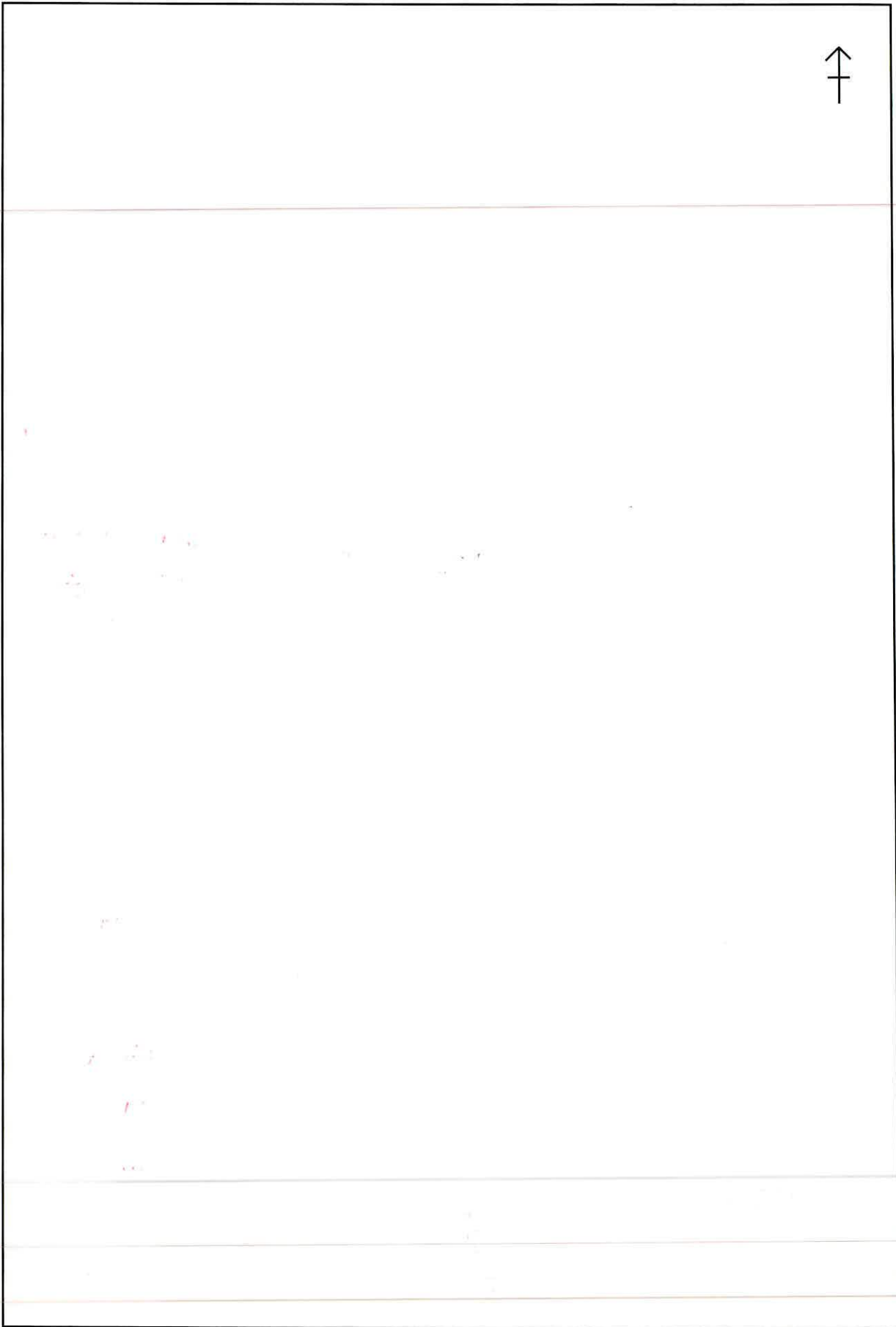
1. I/We SAMUELI SAMSON NYANDUGA
(director/directors/agent of EAGLE GYPSUM PRODUCTS LTD
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at MIEMBE SABA
KIBAHA DISTRICT COAST REGION

Copies of the following documents are attached to this application:

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

3. The Head Office of the Company will be situated at MIEMBE SABA KIBAHA
4. The Principal Officers of the Company are MR LIU GANG, MR LI YANG
MR XIAO XIU ZHOU
5. Auditors of the Company are M. A. HASSAM & Co
P.O. Box 20719 DAR ES SALAAM
6. The authorized share capital of the Company is ~~Tshs~~/US\$ 3,000,000

SKETCH MAP SHOWING PROJECT LOCATION





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)

TANZANIA



Certificate of Incorporation

Section 15

No 84530

I HEREBY CERTIFY THAT

EAGLE GYPSUM PRODUCT LIMITED

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

Given under my hand at Dar es salaam

this **15TH** day of **JULY****TWO THOUSAND AND ELEVEN.**A handwritten signature in black ink, appearing to be 'J. A. ...', written over a dotted line.
Asst. Registrar of Companies



Ground Floor Harbour View, Towers Samora Avenue • P.O Box 20268 • Dar es Salaam • Tanzania • Tel +255 (22) 2118625-28 / 2118802 / 2118798
Fax +255 (22) 2129931 • <http://tz.nic-bank.com>

25th MAY,2011

Tanzania Investment Centre
Dar es Salaam
Tanzania

Dear Sir/ Madam

RE: MR.GANG LIU

At the request of our customer, we confirm that MR. Gang Liu of YGF INVESTMENT Ltd holds an account with us since 2003, which has been conducted to our entire satisfaction.

Any assistance accorded to them will be highly appreciated.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Philip Charo'.

Philip Charo

Senior Manager Operations

EAGLE GYPSUM PRODUCTS LIMITED

EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF EAGLE GYPSUM PRODUCTS LIMITED

At a duly convened and constituted meeting of the board of directors of Eagle Gypsum Products Limited held at the registered offices of the company on the 15th day of July 2011, the following resolutions were passed:

1. That the company should establish a project for manufacturing gypsum powder and gypsum boards at Miembe Saba Area, Kibaha District, Coast Region.
2. That Liu Gang is the principal officer to oversee implementation of the project.
3. That the project be registered with Tanzania Investment Centre so as to enjoy fully investment incentives, benefits and protection as statutorily provided for under Tanzania Investment Act, 1997.

Certified True Extract
(By order of the Board)



Chairman



Secretary

HATI YA MKATABA WA MAUZO YA SHAMBA

BAINA YA

THEOBARD PETER KATINDA na ESTHER

STELLA MUGASHA

NA

KAMPUNI YA EAGLE GYPSUM PRODUCTS LIMITED

I, NANCY ANGELO MAPUNDA
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS,
OF P.O. Box 20787 - D'SALAAM
DO HEREBY CERTIFY THAT
THIS IS A TRUE & ACCURATE
COPY OF THE ORIGINAL.

Signature: *Nancy Angelo Mapunda*

Date: *16/8/2000*

HATI YA MKATABA WA MAUZO YA SHAMBA

1. Tarehe ya Mkataba: 12 Mei 2011

2. Wahusika :

(a) **WAUZAJI:** Wauzaji katika mkataba huu ni **THEOBARD PETER KATINDA** na **ESTHER STELLA MUGASHA.**

(b) **MNUNUZI:** Mnunuzi katika Mkataba huu ni Kampuni ya **EAGLE GYPSUM PRODUCTS LIMITED** ya P.O. Box 104499 Dar es Salaam

3. Mali Inayouzwa/mipaka yake:

Mali inayouzwa katika Mkataba huu ni shamba la Ekari Tano nukta arobaini na tano (5.45) na maendelezo yake lililoko kibaha miembe saba, Mkoa wa Pwani.

Shamba linapakana na;

Kaskazini:- Shamba la Theobard Peter Katinda

Kusini:- Barabara ya Morogoro

Magharibi:- Mzee Njara

Mashariki:- Shamba la marehemu Hamisi Fikirini

4. Bei na utaratibu wa

Malipo:

Bei ya mauzo ya shamba husika ni fedha za kitanzania
Millioni mia tatu na arobaini (Tshs. 340,000,000.00) tu,

am

Sau

ambazo zitalipwa kwa utaratibu ufuatao;

- (a) Fedha za kitanzania Millionia mia moja na sabini (Tshs. 170,000,000.00/=) zitalipwa mara tu baada ya kuweka saina kwenye mkataba huu
- (b) Fedha za kitanzania Millionia mia moja na sabini (Tshs. 170,000,000.00/=) zitalipwa ndani ya kipindi kisichozidi siku 14 baada ya kupatikana miniti za serikali ya kijiji na vibali vya kijiji kuridhia mauzo ya shamba husika.

5. Makubaliano Mengine;

- (a) Mara tu baada ya wauzaji kupokea malipo ya mauzo ya shamba tajwa, shamba na milki yake vitahama kutoka kwa wauzaji kwenda kwa mnunuzi na wauzaji hawatakuwa na mamlaka tena juu ya shamba hilo.
- (b) Aidha baada ya kuweka saina kwenye mkataba huu, wauzaji watamkabidhi mnunuzi nyaraka zote zinazohusu umilikaji wa shamba husika, mali inayouzwa na nyaraka nyingine zinazohusiana na shamba husika kama zipo.
- (c) Kwa kuweka saina zao kwenye mkataba huu, wauzaji na mnunuzi wanakubaliana kuwa yote yaliyoandikwa kwenye mkataba huu ndiyo makubaliano ya pande zote husika.
- (d) Wauzaji wanathibitisha kwa kauli moja kuwa hadi tarehe ya mkataba huu wao ndio wamiliki halali wa

am



Saeed


shamba linalouzwa, na kwamba shamba hilo halina mgogoro wowote, deni wala mkopo wa aina yoyote.

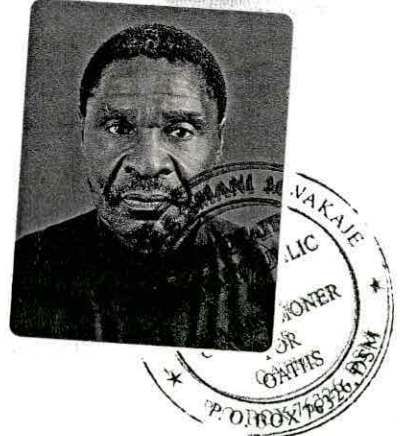
MKATABA huu umesainiwa/kuwekwa
Alama ya dole gumba na **THEOBARD PETER KATINDA**
mbele yangu hapa Dar es Salaam
Leo tarehe 13th mwezi May 2011


MUUZAJI


Shuhuda:

Jina..... AMBOKILE A. MWAKAJE

Sahihi..... 
Anuani.....
Wadhifa.....



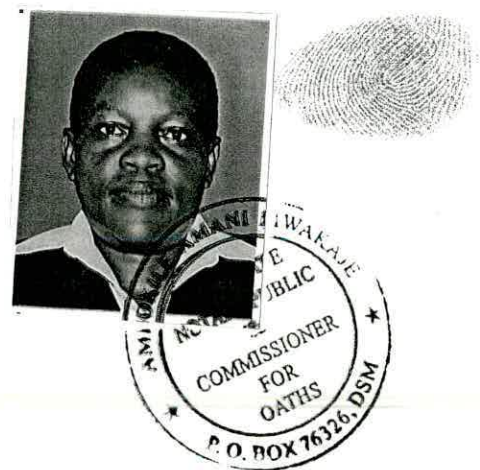
MKATABA huu umesainiwa/kuwekwa
Alama ya dole gumba na **ESTHER STELLA MUGASHA**
mbele yangu hapa Dar es Salaam
leo tarehe 13th mwezi May 2011



MUUZAJI

Shuhuda:

Jina..... AMBOKILE A. MWAKAJE

Sahihi..... 
Anuani.....
Wadhifa.....



I, NANCY ANGELO MAPUNDA
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS,
OF P.O. Box 20787 - D'SALAAM
DO HEREBY CERTIFY THAT
THIS IS A TRUE & ACCURATE
COPY OF THE ORIGINAL.
Signature: 
Date: 16/8/2011





MKATABA huu umesainiwa/kuwekwa
Alama ya dole gumba na **AZIZ ISSA DHAMANI**
kwa niaba ya **EAGLE GYPSUM PRODUCTS LIMITED**
leo tarehe 13th mwezi May.....2011

Sahihi.....

Jina..... AZIZ I. DHAMANI

Wadhifa..... MANAGER

MKATABA huu umesainiwa/kuwekwa
Alama ya dole gumba na **SAMUEL NYANDUGA**
kwa niaba ya **EAGLE GYPSUM PRODUCTS LIMITED**
leo tarehe 13th mwezi May.....2011

Sahihi.....

Jina..... SAMUELI NYANDUGA

Wadhifa..... ASSIST. MANAGER

I, NANCY ANGELO MAPUNDA
ADVOCATE, NOTARY PUBLIC
& COMMISSIONER FOR OATHS,
OF P.O. Box 20787 - D'SALAAM
DO HEREBY CERTIFY THAT
THIS IS A TRUE & ACCURATE
COPY OF THE ORIGINAL.

Signature:.....

Date:.....

16/8/2011

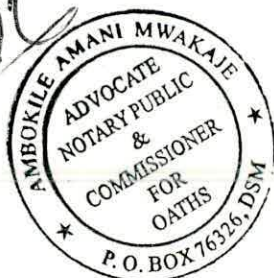
Shuhuda:

Jina..... AMBOKILE A. MAMARU

Sahihi.....

Anuani.....

Wadhifa.....



[Handwritten signature]

[Handwritten initials]

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

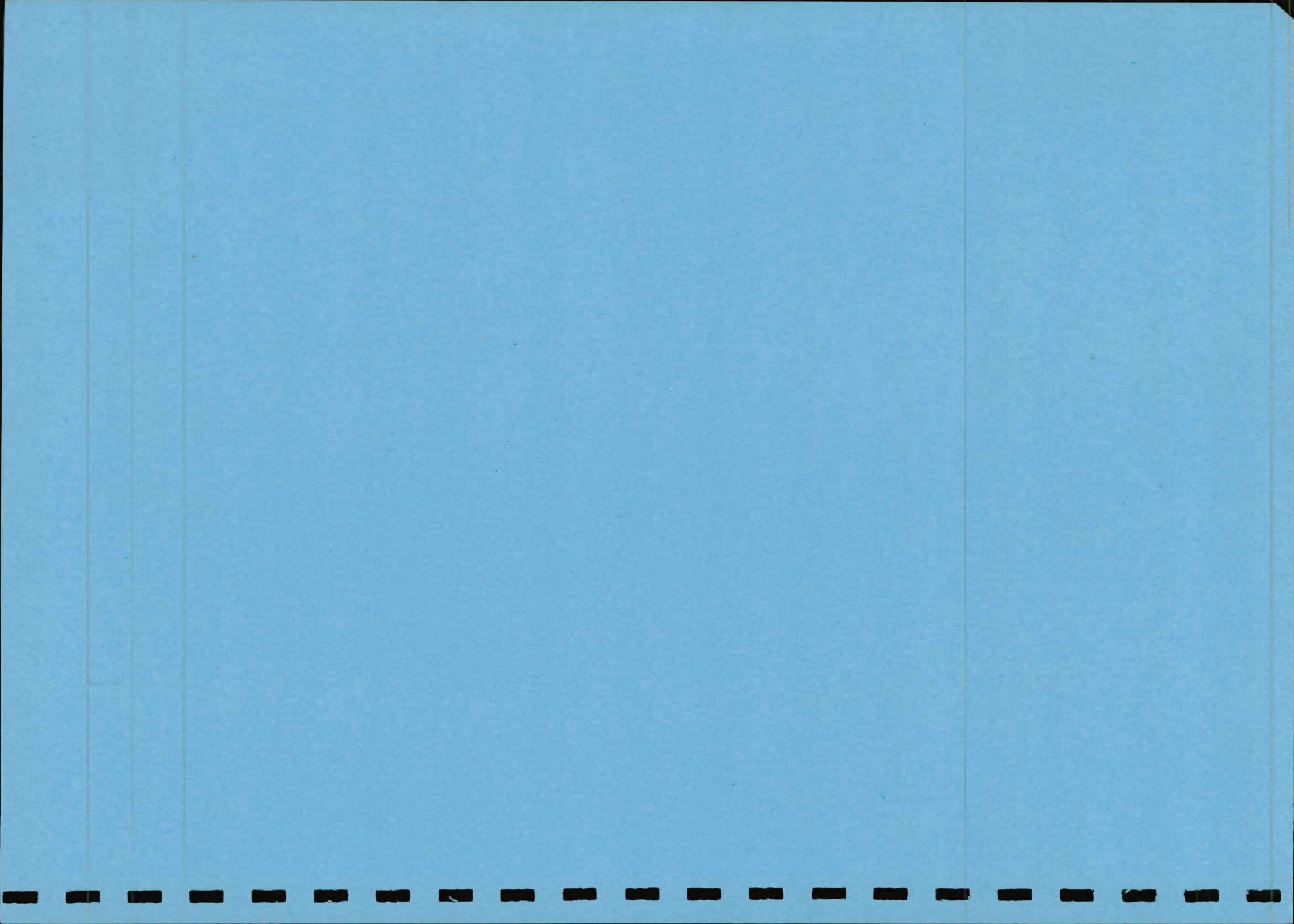
OF

EAGLE GYPSUM PRODUCTS LIMITED

Incorporated at..... this..... day of.....2011

Drawn by:

Liu Gang
(Subscriber)
P.O. Box 104499
DAR ES SALAAM



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

EAGLE GYPSUM PRODUCTS LIMITED

Incorporated at..... this..... day of.....2011

Drawn by:

Liu Gang
(Subscriber)
P.O. Box 104499
DAR ES SALAAM

THE UNITED REPUBLIC OF TANZANIA



CERTIFICATE OF INCORPORATION

No.

I HEREBY CERTIFY THAT

EAGLE GYPSUM PRODUCT LIMITED

In this day incorporated under the Companies Act 2002

And that the Company is Limited

GIVEN under my hand at Dar es Salaam, the day of
Two Thousand and Nine

Registrar of Companies

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

EAGLE GYPSUM PRODUCTS LIMITED

1. The name of the company is "EAGLE GYPSUM PRODUCTS LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on the business of importers, exporters, buying selling, dealers in gypsum products, hardware, building materials, 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.
 - (b) To carry on the business 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.
 - (c) 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.
 - (d) To carry on the business of manufacturing, marketing, dealing, otherwise handling pullovers, jerseys, sweaters, children's wear, ladies brassiers, blouse, panties, vests, brief, swimming trunks, shirts, pants, uniforms, stationeries and printing.
 - (e) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house

and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.

- (f) To provide the business of tour operators, travel agents, car rental/hire, tourist agents and contractors, insurance, forwarding and general agents, aircraft and ship owners, charters, hotels, apartment and lodging house keepers, caterers, advertising agents and generally to facilitate traveling and provide for tourists and travelers or promote and provisions of facilities of every description and in particular by means of booking of travel ticket and hotel and lodging accommodation, providing guides, safe deposits, inquiry bureaux and baggage transport and arranging and operating tours.
- (g) To carry on the business of telecommunication engineering, telecommunication accessories, electrical engineering, electronic mechanical engineering, to design, manufacture, assemble, repair any electrical and electronic apparatus, component or system, to act as manufactures' representatives, commission agents, merchants or brokers and to service, inspect, import, export, hire, sell, purchase or otherwise dealing in all kinds of telecommunication, mechanical, electrical and electronic systems.
- (h) To carry on the business as general distributors of all sorts and types of products and services to individuals, offices, industries, shops, schools, factories, hospitals, army, military, ministries and all other government offices, universities and all other places where the services of a supplier are needed.
- (i) To build, construct, maintain, enlarge, pull down and remove or replace any building, offices, work, wharves, road, walls, fences, banks, dams sluices or water wharves and clear sites for the same.
- (j) To erect and construct houses, buildings, or works of every description on any land of the company or upon other lands, or property and to pull down, rebuild, enlarge, alter and improve existing houses, buildings to convert any such land into roads, street squares, gardens and grounds for various activities.
- (k) To engage in and carry on the business of manufacturers of and dealers in cement, lime, plasters, clay, whiting, gravel, stone, chipping, minerals, earth, fuel. Artificial stone bricks, tiles, roofing pipes, pottery, earthen ware, as well crushed stones and quarry extraction.
- (l) To carry on the business of various equipments, tools and or gadgets necessary for secure operation of various business activities in respect of construction industry.
- (m) To open and run various offices for the business of construction activities.

- (n) To erect, construction, lay down, enlarge, alter and maintain any buildings, works and machinery, necessary or convenient for the company's business.
- (o) To carry on the business as general traders, suppliers, merchants, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (p) To carry on the business of dealing in importing, exporting, marketing, manufacturing stocking, buying, selling whether by wholesale or retail of various categories of goods and merchandise, and to act as commission agents, brokers, insurance agents and manufacturers, representatives in all fields. To be agent of foreign company and to establish business enterprises whether small scale, industries and generally deal in all kinds of general merchants and to import, export and all either by merchandise and articles of all description.
- (q) To carry on the business and act as managers of investments and investment company, business of property managers, developers, real estate agents valuers, decorators, engineers and to generally be able to carry out activities of any description with regards to land, property and real estate, investment in any type of property, buildings, lands, securities, bonds, shares and any property act as a holding company with subsidiaries and invest in any projects as the company may think fit.
- (r) To engage in and or otherwise carry on the business of environmental protection and management, financial management, sanitary services, super cleaners, interior and landscape designers, removal treatment contractors, rural, urban and community centers cleaners, landscapers to be professional sanitary services contractors, promoters of health services in governmental departments, offices, companies, public or private institutions, individual and any other organization all over the world.
- (s) To carry on the business as manufacturers, principals or agents representatives of importing, exporting, buying, selling, distributing of new and used motor vehicles, cars, trucks, lorries or other vehicles, motor vehicles spares and parts of all descriptions, railway, 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.

- (t) To carry on the business of household, domestic appliance and electrical goods, electronic items, audio visual goods, building material, hardwares, foodstuff, agricultural products and merchandise of every nature, kind and description whatsoever as a dealer, wholesaler, retailer, distributor, importer, exporter and after sales service and repairing.
- (u) To carry on all or any business of printing, publishing, distributing and selling of business, management, industrial, scientific, academic, communications, financial, agricultural, social and environmental information technology periodicals, brochures and books and any other reading materials.
- (v) To carry on the business of marketing, services, consultancy and selling of all types of information technologies, computer systems, conference systems, telecommunication systems, security systems, public address systems, data communication and to train, research, install and after sale services of electronic systems, voice and data networks and any other systems or components which the company may think fit, necessary or incidental to this business.
- (w) To carry on the business of spare parts for different types of machines and instruments including motor vehicles, cars, trucks, lorries or other vehicles, agricultural implements, mining implements and any other machinery, tool maker, metal workers, boil makers and any other kind of machine whatsoever.
- (x) To carry on the business of wholesalers, retailers, general traders, suppliers, merchants, importers, exporters, stockists and dealers in all types of clothes, bags, shoes, textile materials, tie and dye, boutique, caps, selling second hand clothing, dresses of types and description whatsoever.
- (y) To engage in investment scheme for construction, rehabilitation, erection, ownership and management of commercial buildings, export processing zones and special economic zones, to buy, sell, hire, manufacture, trade, and deal in property, goods, produce, articles, and merchandise of all kinds and transact any and every description as development agency, distribution, marketing, commercial, industrial, manufacturing, mercantile, insurance and financial business and carry on the business of traders, general merchants, general storekeepers, metals, commission agents, business consultants, market research consultants, business transfer agents, company promoters, underwriters, financiers and bill brokers, del-credere agents, barter traders, court brokers, auctioneers and generally to execute and undertake agencies of all kind or carry on the business of warehouse construction, landscaping,

engineering, general civil works and deal in all kinds of scrap metal and precious metals.

- (z) 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.
- (aa) To carry on the business as manufacturers, principals or agents representatives of importing, exporting, buying, selling, distributing of new and used motor vehicles, cars, trucks, lorries or other vehicles, motor vehicles spares and parts of all descriptions, railway, 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.
- (bb) To carry on the business as exporters, traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in business of scrapers, agricultural machinery, implements, equipment and all kinds of industrial projects machinery.
- (cc) To carry on the safe keeping, cleaning, repairing, refueling and the general care of motor vehicles of all kinds whatsoever form of propulsion maybe used.
- (dd) To advance money to any person or persons or corporations, either with or without interest upon the security of freehold or leasehold property by way of mortgage, or upon marketable security and in particular to advance money to shareholders in the company, and others, upon the security of or for the purpose of enabling the person borrowing the same to effect or purchase, or enlarge or repair any house of building or to purchase the free simple or any term or terms of years of any property in Tanzania, or elsewhere upon such terms, and conditions as the Company may think fit.
- (ee) 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.
- (ff) 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.

- (gg) 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.
- (hh) 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.
- (ii) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (jj) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (kk) 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 through agents, sub-contractors, trustees and otherwise.
- (ll) 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.
- (mm) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (nn) 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.
- (oo) 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.
- (pp) 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.
- (qq) 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.

- (rr) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (ss) 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.
- (tt) 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.
- (uu) 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.
- (vv) 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.
- (ww) 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.



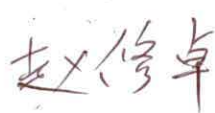
That the meaning of any general word or words in any paragraph of this clause shall not be restricted by being construed ejusdem generis with any particular word or words in the same paragraph.

4. The Liability of the Members is Limited.

5. The capital of the Company is Shillings 2,432,000,000/= divided into 24,320 shares of Shillings 100,000/= 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
LIU GANG P. O. BOX 104499 DAR ES SALAAM	9728	
LI YANG P. O. BOX 104499 DAR ES SALAAM	9728	
ZHAO XIU ZHOU P. O. BOX 104499 DAR ES SALAAM	4864	

Dated at.....DSM.....this.....24.....day of.....MARCH.....20.11.....

Witness to the above signatures:

Name :NANCY A. MAPUNDA.....
 Signature :.....
 Postal Address :20787 DSM.....
 Qualification :ADVOCATE.....

NANCY ANGELO MAPUNDA
Advocate, Notary Public &
Commissioner for Oaths
P.O. Box 20787
DAR-ES-SALAAM

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
EAGLE GYPSUM PRODUCTS LIMITED

PRELIMINARY

1. In these regulations:-
"The Act" means the Companies Act 2002 of the Laws of Tanzania.

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

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

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

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

PRIVATE COMPANY

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

TRANSFER OF SHARES

3. The Directors may in their 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.**

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

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

6. DIRECTORS

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than four in number.
 - (b) The following persons shall be the first Directors of the company:-
 - 1. LIU GANG
 - 2. LI YANG
 - 3. ZHAO XIU ZHOU
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 Act and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special Resolution.

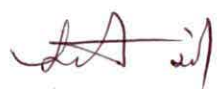


INDEMNITY

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

ARBITRATION


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

(Cap. 15) or any then existing statutory modifications or re-enactment thereof shall apply.

Names, Addresses, and Description of Subscribers.	Number of shares taken by each Subscriber	Signature
LIU GANG P. O. BOX 104499 DAR ES SALAAM	9728	
LI YANG P. O. BOX 104499 DAR ES SALAAM	9728	
ZHAO XIU ZHOU P. O. BOX 104499 DAR ES SALAAM	4864	

Dated at.....DSM.....this...24 day of.....MARCH.....20..11..

Witness to the above signatures:

Name : NANCY A. MAPUNDA
Signature :  **NANCY ANGELO MAPUNDA
Advocate, Notary Public &
Commissioner for Oaths**
Postal Address : 20787 DSM **P.O. Box 20787
DAR-ES-SALAAM**
Qualification : ADVOCATE

EAGLE GYPSUM PRODUCTS
LIMITED

BUSINESS PLAN FOR ESTABLISHMENT OF
PROJECT FOR MANUFACTURING GYPSUM
BOARDS AND GYPSUM POWDER

June 2011

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1.0 INTRODUCTION

1.1 FOREWORD

This Project Feasibility Study Report sets out proposals by M/S Eagle Gypsum Products Limited for establishing gypsum boards and gypsum powder manufacturing facilities in Coast Region.

1.2 OBJECTIVES OF THE STUDY

The purpose of this business plan is to work out the technical and commercial details and the financial viability for the above mentioned project.

1.3 PROJECT PROMOTERS

The current shareholders of the company have a wealth of experience in gypsum boards and gypsum powder manufacturing and are keen to exploit such experience to make this project a success.

1.4 STUDY LAYOUT

This study is presented in one document comprising the following major chapters.

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

Chapter One	-Introduction
Chapter Two	-Executive Summary
Chapter Three	-Manufacturing Sector in Tanzania
Chapter Four	-Production Process and Technology
Chapter Five	-Machinery, Equipment and Civil Works
Chapter Six	-Production Inputs Requirement & Availability
Chapter Seven	-Manpower and Plant Organization
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2.0 EXECUTIVE SUMMARY

2.1 INTRODUCTION

The Study examines the possibility of establishing a project to manufacture gypsum boards and gypsum powder. Recognition of market needs and demands will be the hallmark of the anticipated success in the company's manufacturing operations.

The project will be properly developed using leading edge technology to enable Eagle Gypsum Products Limited enjoy rapid expansion in all target markets as more and more consumers continue to appreciate the benefits of its products. The company will develop the capability to produce products to suit its target market.

It is expected that innovative design and consistency in the manufacturing process will earn the company's products an international reputation for excellence. Development of specialised technology is expected to contribute in positioning the company as leader in gypsum boards and gypsum powder manufacturing. All operations will have latest international standard accreditation, reassuring customers of products designed to meet their needs and produced to consistently high quality standards.

Founders of Eagle Gypsum Products Limited have enjoyed a proud history and the future looks even brighter for the proposed project establishment. The following are reasons why one should select the company's products

- Strong Foundations:

A strict code of professionalism, quality and service will place the company at the top of other gypsum boards and gypsum powder manufacturers, and its reputation will be steadily extended through the obvious satisfaction of customers.

- Strong On Quality:

The company will manufacture gypsum boards and gypsum powder. Its range of products will be of superb quality. The factory will maintain high quality standards certified to universally recognized criteria.

2.2 GYPSUM SOURCES AND PROCESSING

High-grade rock gypsum and impure earthy or sandy gypsite are known in Tanzania. Rock gypsum in association with beds of anhydrite and rock salty occur in the Mesozoic sedimentary sequence in the Southeast Kilwa District. Gypsite is more widespread than the rock variety. Four localities contain gypsite,

namely, Mkomazi in Lushoto District, Msagali in Mpwapwa District, Itigi in Manyoni District and Mtegu in Lindi District.

Kilwa District

Rock gypsum occurs in association with beds, which make up part of the Mesozoic sedimentary sequence in the south-eastern Kilwa District. There are three localities of gypsum rock: Pindora, Mbaru and Mkomore. Reserves of 2 million tonnes of gypsum with an average grade of 90% have been estimated.

Mkomazi

The gypsum is of three types: nodular, flake and powder. The grade of the gypsum varies from 70% to 85%. Total reserves are estimated at 829,000 tonnes

Makanya

Five type of gypsum are present at Makanya, namely rock gypsum, gypsite, alabaster, satin spar and selenite. Reserves of over 1.0Mt grading 82% gypsum have been estimated. The Mkomazi and Makanya gypsum deposits are mined at a small-scale level and the gypsum is being used in the cement industry.

Itigi

Gypsiferous clay and gypsum bands have been formed in an area of internal drainage in which shallow lakes have been developed. Reserves estimated at 15,000 tonnes with an average grade of 70-75 percent gypsum. The deposit is mined by small-scale miners.

Msagali

The deposit is situated at Msagali in the Mpwapwa District, Dodoma Region in Central Tanzania. The gypsum is soft and porous (gypsite) and occurs in beds near the surface with a purity of up to 75%. This deposit is mined and used in the cement industry.

Natural gypsum

Natural gypsum is a mineral extracted from quarries in the form of small white crystals, clumped together in blocks. It comes from a sedimentary rock made of calcium sulfate dehydrate.

Gypsum Manufacturing Process

Manufacturing gypsum is made through:

- Natural gypsum, sedimentary rock extracted from mines or underground quarries,
- Synthetic gypsum, produced from by-products of energy generation or industrial waste.

Making gypsum from natural gypsum involves crushing and grinding the gypsum mineral, then firing it at 150°C. Additives can be mixed with the gypsum in very small quantities: starch improves the adhesion between the gypsum and the cardboard in plasterboard production, while retarding agents slow the setting time of gypsum.

Gypsum board is a construction material consisting of thin panels composed of a layer of gypsum rock sandwiched between two layers of special paper. Gypsum board makes for a much more efficient method of construction than the common earlier technique of applying wet plaster to a gypsum lath.

In addition to being easy to install, gypsum board provides a measure of fire protection to buildings. Gypsum contains large amounts of water bound in crystalline form; 10 square feet (1.0 sq m) of gypsum board contains over 2 quarts (2 l) of water. When exposed to fire, the water in the gypsum board vaporizes; the temperature of the panel remains at 212°F (100°C) until all of the water is released, protecting the underlying wood framework. Even after all of the water evaporates, the gypsum itself will not burn and continues to provide substantial fire protection.

Plaster made from gypsum has been used as a construction material for thousands of years. In fact, plaster applied at least 4,000 years ago to walls inside the Great Pyramids of Egypt is still in good condition. Today gypsum board panels are widely utilized in modern construction around the world.

Gypsum powder is formed by heating gypsum stone. When the stone is heated, the water is released, and the fine, white powder is left. This powder can be used for cooking, fertilizer, in production of gypsum boards, cement, plaster and paint. The mineral gypsum is used the most in its powdered form because it can strengthen material or increase viscosity, but the mineral itself is very low on the Mohr's Hardness Scale, placing at a two or three.

The texture of gypsum powder is just as any powder, fine and smooth. It can easily be sifted. If one is planning to use the gypsum powder for drywall or some other purpose where it is needed to dry, it will get quite coarse and rough. The color of gypsum powder is white, but that does not mean the gypsum mineral is always white. Gypsum minerals can be a variety of different colours. Common colours are clear, colourless, white, gray, yellow, red and brown. The gypsum powder is typically known to have a milky or chalky odor to it. This odor is not known to be overwhelming and is barely noticeable. Typically pure gypsum mineral has the same odor to it, but if the gypsum mineral is not pure, then it can have a very overpowering, unpleasant and sulfur like odor.

2.3 MARKET AND MARKETING ASPECTS

The market survey carried out reveals that there is a huge demand for gypsum boards and gypsum powder. There is wide gap between supply and demand and as a result the country is forced to import gypsum boards and gypsum powder. In this regard business opportunity exists for establishing gypsum

boards and gypsum powder production facilities to satisfy the market requirement. With increased local manufacturing facilities, the country will save foreign exchange lost each year through imports of gypsum boards and gypsum powder.

2.4 PROCESS AND TECHNOLOGY

Gypsum powder and gypsum board manufacturing processes and technologies will be modern to achieve desired effectiveness and efficiency in production to meet market requirements and set standards.

2.4.1 Gypsum Powder

Making gypsum powder from natural gypsum involves crushing and grinding the gypsum mineral, then firing it at 150°C. Additives can be mixed with the gypsum in very small quantities: starch improves the adhesion between the gypsum powder and the cardboard in plasterboard production, while retarding agents slow the setting time of gypsum powder.

In gypsum powder production line, gypsum powder raw materials are mainly desulfurizing gypsum powder, phosphorus gypsum powder and natural mineral gypsum powder. Gypsum powder production line can be divided into many areas, which include crushing, pre-grinding, calcining, material storage, and transportation. Gypsum powder production process applies various systems including electrical control system, dust removal system, plumbing and heating systems, grinding systems, transportation systems, crushing machine, boiling burning heaters and so on.

Important processes in production of gypsum powder include crushing, grinding, selection & separation.

2.4.1.1 Crushing process

Jaw crusher may be used as primary crusher, then Cone crusher or Impact crusher is used as fine secondary crusher. The crushed gypsum is transformed to the hopper to grinding process.

2.4.1.2 Grinding process

Gypsum powder out of the hopper is then transferred into the grinding mill by belt conveyor for further grinding. Ball mills, ultrafine mills, or MTW trapezium mills will be used in this process.

2.4.1.3 Selection & Separation

The gypsum powder is selected and separated by the classifier and get the final gypsum powder.

2.4.2 Gypsum boards

Processing of gypsum boards consists placing the gypsum core material between two layers of paper, drying the product, and finishing it into panels of standard size.

2.4.2.1. Blending of additives

Depending on the variety of gypsum board being produced, certain additives are blended with the plaster of Paris that will form the core of the gypsum board. Each additional ingredient amounts to less than one half of one percent of the amount of gypsum powder. Starch is added to help the paper

facings adhere to the core, and paper pulp is added to increase the core's tensile strength (resistance to lengthwise pressure). Unexpanded vermiculite is added when producing fire-resistant grades of gypsum board; in some cases clay is also added.

Water is added to the plaster of Paris mixture to form a slurry of the proper consistency. An asphalt emulsion and/or a wax emulsion is added to achieve the desired level of moisture resistance in the final product. A foaming agent such as a detergent is included, and during the mixing process air is entrained into the material. The finished gypsum panel will be over 50% air; this minimizes the board's weight and makes it easier to cut, fit, and nail or screw to the framing. Glass fibers are added to the wet core material when making fire-rated gypsum board.

2.4.2.2. Making the sandwich

The gypsum slurry is poured onto a layer of paper that is unrolling onto a long board machine. Another layer of paper unrolls on top of the slurry. The sandwich then passes through a system of rollers that compact the gypsum core to the proper thickness. The most common thicknesses are 0.37 inch (9.5 mm), 0.5 inch (12.7 mm), and 0.62 inch (15.7 mm).

2.4.2.3. Finishing the edges

Automated assembly lines in gypsum board plants range from 300-800 feet (93-247 m) long. As the gypsum board continues along the conveyor belt, the edges are formed. Various shapes of edges are possible, depending on the

final use of the panel. Options include the traditional square edge, a tongue and groove type, tapered and/or beveled edges, and even rounded edges.

The face paper is wrapped snugly around each edge and sealed to the back paper.

2.4.2.4. Cutting the panels

By the time the edges have been shaped, the plaster core has set sufficiently for a knife to slice the continuous strip into standard panel sizes. The board, generally 48 inches (1219 mm) or 54 inches (1572 mm) wide, is usually cut into panels that are 8 feet (2400 mm) or 12 feet (3600 mm) long.

2.4.2.5. The drying process

The panels are transferred to a conveyor line that feeds them through a long, drying oven. At one plant, for example, the gas-fired oven is 470 feet (143 m) long. Panels enter the oven at 500°F (260°C) and are exposed to gradually decreasing levels of heat during the 35-40 minutes they travel through the system. Humidity and temperature are carefully controlled in the dryer.

2.4.2.6. The finished product

After emerging from the drying oven, the dry wall panels are visually inspected before being bundled into "lifts" of 30 or 40 boards and transferred to the warehouse to await shipment.

2.5 LOCATION

The plant will be located on industrial site at Miembe Saba Area, Kibaha District, Coast Region.

2.6 MANPOWER REQUIREMENTS

The whole project will comprise more than 32 permanent employees and several others on temporary basis. Initially there will be a few technical expatriates who will give training to the local staff. Maximum employment will be given to the local work force. The factory will be organized into three major areas namely:

Production

Marketing

Finance and administration

2.7 IMPLEMENTATION

The project is planned to undergo two phases:

Phase I: Major activities to be involved include registration of the project establishment and approvals by the Tanzania Investment Centre (TIC), and mobilization of funds from sponsors. Other activities include identification of appropriate technology, sourcing of machinery and equipment, construction and renovation of buildings, staff recruitment and training of core personnel.

Phase II: Will involve trial operations and commencement of gypsum boards and gypsum powder manufacturing operations.

2.8 PROJECT ECONOMICS

2.8.1 Capital Investment Requirements

COST STRUCTURE	
PARTICULAR	AMOUNT USD
Land and Buildings	300,000
Machinery & Equipment	1,800,000
Motor Vehicles	350,000
Furniture & Fixtures	20,000
Pre exp	100,000
Others	150,000
Working Capital	280,000
TOTAL	3,000,000

*US\$ 1 = Tshs 1,500

2.8.2 Expenditure on basic materials and Profitability

The major expenditure item is the purchase of various materials used in gypsum boards and gypsum powder manufacturing process. Project revenue will accrue from sale of gypsum boards and gypsum powder. Based on projected revenue at sustainable levels of production the project is quite profitable.

2.9 RECOMMENDATIONS

The study shows the proposed project is both technically and financially a feasible undertaking. Furthermore, it will create local employment for the national benefit. In view of the findings, the project is recommended for implementation.

3.0 MANUFACTURING SECTOR IN TANZANIA

3.1 INTRODUCTION

Although an underdeveloped sector in Tanzania, manufacturing is nevertheless an important contributor to the country's GDP. But the burdens it struggles under are substantial. Hampered by the variability of the agricultural sector on which it is based, Tanzania's industries must also contend with high costs of production, low labour productivity, high interest rates and increased competition arising out of the policy of trade liberalization.

In this context, the sector is characterized by a narrow industrial base dominated by agro-industries, limited diversification, reliance on imported inputs of raw materials and intermediates, relatively underdeveloped industry linkages, prevalent use of obsolete technologies and production that is mainly focused on the domestic market.

Government recognizes that significant transformation of the sector is vital. In order to achieve this, it is necessary to promote and stimulate a change process which will make the sector exhibit a diversified structure of production; undertake processing of more of the natural resources with which Tanzania is endowed; and become export-oriented.

Taking into account the above factors, Government's goals for the industrial sector in the medium term are to optimize the exploitation of domestic

natural resources; to strengthen backward and forward linkages within the manufacturing sector and between the sector and rest of the economy; to ensure that industries are competitive in the domestic and international markets; to raise levels of technological capabilities; to create new employment opportunities; to absorb the rapidly growing labour force; to strengthen the SME sector and put emphasis on sub regional collaboration and south-south cooperation.

3.2 IMPORTANCE OF THE SECTOR AND PERFORMANCE

In terms of importance, the manufacturing sector, though not strong as it should be, continues to play a respectable role in the economy, contributing to 18.9% of export earnings and 8.6% to GDP - but this is still short of the planned target of 15% by 2020.

In the country's Development Vision-2025, it is projected that the contribution of the industrial sector to the economy will reach 25% like the semi-industrialized countries of South East Asia.

Tanzania's most important industries include agro food processing, beverages, oil refining, and cement. Other industries include the production of textiles, apparel, tobacco products, glass, paints, plastics, chemicals and pharmaceuticals, and the processing of metals and wood products.

The sector provides employment for an estimated workforce of over 100,000 people. Growth rate of the sector decelerated from 9.9 percent in 2008 to 8.0

percent in 2009. This trend was due to the effects of the global economic meltdown.

3.3 EXPORT DEVELOPMENT

The export market for manufactured goods comprises cotton yarn, manufactured coffee, manufactured tobacco, sisal products, plastics, textiles and apparel and iron steel.

During 2009, the export value of manufactured goods decline from US\$ 662.3 million recorded in 2008 to US\$ 497.6 million. The decline is partly attributable to the drop in demand for the manufactured products in the neighbouring countries following the global financial crisis.

3.4 MAJOR PRODUCTION AND INDUSTRIAL UNITS

3.4.1 Food, Beverages and Tobacco

The food manufacturing in Tanzania include manufacturing of dairy products, canning and preserving of fruits and vegetables, canning fish and similar foods, manufacture of animal and vegetable oils, grain milling, baking, sugar and confectionery as well as prepared animal feeds. The beverages include the distilling and blending of spirits; manufacture of wines, cider and beer; production of soft drinks and carbonated waters and the bottling of natural spring and minerals waters. The tobacco subsector comprises manufacturing of cigarettes, tobacco and other tobacco production.

3.4.2. Textiles, Clothing, Leather and Footwear

Activities undertaken in this category include spinning, weaving and finishing of textiles as well as garments, knitting and the manufacture of carpets, rugs, cordage, rope and twines. The leather and footwear subsector include tanneries; leather finishing and manufacturing of products from leather such as luggage, handbags and purposes.

3.4.3 Wood products activities Accounted in the subsector

Includes sawmills, planing and other wood mills manufacturing goods. Also included is the manufacturing of wooden containers, cane products and wooden products.

3.4.4 Paper and Paper Products

This comprises the manufacturing of pulp, paper, paperboard, fibreboards, light packaging, heavy packaging, stationery and other paper products.

3.4.5 Chemicals, Petroleum, Rubber and Plastics

The chemical subsector comprises the manufacture of basic industrial chemicals, fertilizers, pesticides, plastic materials and products, medicinal and pharmaceuticals, soap, detergents, perfumes and other cosmetics, paints and other chemical products. While the petroleum subsector comprise of petroleum refineries, fuel oils, lubricating oils and manufacture of asphalt materials.

Rubber products produced in the country include tyres and tubes conveyors and fan belts, rubber mats, groves, pipes and tanks, plastic sheets, kitchenware, furniture and footwear.

3.4.6 Non-metallic Mineral Products

This includes manufacture of pottery, china and earthenware, glass and glassware products, bricks, tiles, cement, concrete, gypsum and plaster products.

Boosted by robust growth in construction, Tanzania's cement industry has grown rapidly over the years, with three cement producers and a combined production capacity of 1.9 million tonnes per year.

3.4.7 Basic Metal Products

This comprises rolling mills and foundries to produce products such as slabs, bars, sheets, plates, strips, tubes, pipes and rods.

3.4.8 Fabricated Metals, Machinery and Equipment

These include manufacture of cutlery, hand tools and general hardware, furniture and fixtures, doors, metal staircases and window frames. Others are electrical motors transformers, electrical control devices and switchboard apparatus as well as radios and transport equipment, mainly bicycles and animal and auto-pulled carts.

3.4.9 Other Manufacturing Industries

This covers products such as jewels and related articles, furniture manufacture, measuring and controlling equipment and optical goods. Production in this category has experienced an average growth of over 12 percent over the last decade.

3.5 NOTABLE PERFORMANCE OF SOME LOCAL INDUSTRIES

The goods whose production skyrocketed include Konyagi, which increased by 151.9 %, from 4,049,000 litres in 2008, up to 10,201,000 litres in 2009.

Production of pyrethrum agro-chemicals also increased from 73 tonnes in 2008, up to 266 tonnes, equivalent to 264.4 % increase.

Production of wheat flour increased from 287,925 tonnes in 2008 to 368,885 tonnes in 2009, representing 28.1 % increase. Production of Chibuku brew also increased sharply from 10,235 litres in 2008, up to 16,141 tonnes in 2009, equivalent to 57.7 % increase.

Likewise, production of iron sheets ballooned to 50,664 tonnes in 2009, from 31,743 tonnes in 2008, equivalent to 59.6 % increase.

Production of batteries also increased to 78 million batteries in 2009, from 53 million batteries in 2008, representing 47.2 % increase.

Moreover, production of cement increased from 1,756 tonnes in 2008 up to 1,941 tonnes in 2009. This was caused by high demand of the commodity as consumption of cement skyrocketed from 1,940,845 tonnes in 2008 to 2,399,458 tonnes in 2009, equivalent to 58.5% increase.

However production of aluminum declined from 105 tonnes in 2008 to 58 tonnes in 2009, registering a 44.8 % decrease. Production of garments also declined from 7,783,000 square metres in 2008 to 7,913,000 square metres in 2009, a 34.9 % decrease.

Other goods whose production declined during the period under review include logs (16.6%), biscuits and spaghetti (1.5%), beers (2 %), cigarettes (4.4%) and iron (13%).

3.6 INVESTMENT OPPORTUNITIES

The priority sectors for investment include the following export-oriented manufacturing operations: Textile and garments; leather processing and leather products; lapidary, including gold, diamonds and gemstones; agro processing; fish processing; wood and wood products; electrical and electronic appliances; and ICT industries.

3.7 POLICIES AND REGULATORY FRAMEWORK

The future discourse for industrial development in Tanzania is elaborated in the Sustainable Industrial Development Policy - SIDP". The main purpose of SIDP is to et out a path for industrializing Tanzania so that by the turn of the first quarter of the 21st Century it becomes a semi industrialized country.

In its approach SIDP embraces the principles of a market-led economy and competitiveness. It points out plainly that industry would only prosper in the hands of increased private sector participation both in decision making and implementation.

The government in this aspect has vowed to increasingly provide an environment which is welcoming, attractive, and stable and that can encourage private sector investment.

The private sector in its part should take all necessary initiatives to respond and manage challenges of globalization. Firms are challenged to pursue firm

strategies which are geared towards building the necessary capabilities to enable them compete in the world market.

3.8 INDUSTRIAL SUPPORT ORGANISATIONS

The government has established several institutions to render support services to the industrial sector. Among them are: The National Development Corporation (NDC), the Small Industries Development Organization (SIDO), the Centre for Agricultural Mechanization and Rural Technology (CARMATEC), the Export Processing Zones Authority (EPZA), the Tanzania Industrial Research Development Organization (TIRDO), the Tanzania Engineering and Manufacturing Design Organisation (TEMDO) and Tanzania Bureau of Standards (TBS).

3.9 CHALLENGES FACING THE MANUFACTURING SECTOR

- ◊ Poor technology;
- ◊ Insufficient industries/ factories;
- ◊ Unreliable market for the final processed goods;
- ◊ High cost of power, unreliability of power and underdeveloped infrastructure;
- ◊ Unreliable availability of raw materials;
- ◊ Small number of trained manpower.

3.10 CONCLUSION

The manufacturing sector holds the key to Tanzania's economic growth given the desire to diversify from agriculture and tourism to other sectors. Although the sector's contribution to the national economy has not significantly

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improved lately, there is every reason to believe that with proper policies and investment incentives in place, manufacturing sector is a growth area.

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4.0 PRODUCTION PROCESS AND TECHNOLOGY

4.1 BASIC PROCESS

Gypsum powder production process mainly involves crushing and grinding of raw materials including natural gypsum ore. Gypsum powder equipment is composed of crusher, mill, lifter, dust remover, heat conductive oil furnace, Roots fan, and material bin. And the system of boiling and calcination is the key link of the whole gypsum powder-making process

Fabrication of gypsum board consists of placing the gypsum core material between two layers of paper, drying the product, and finishing it into panels of standard size. Blending of additives, making the sandwich, finishing the edges, cutting the panels and drying are important steps in manufacturing of gypsum boards.

4.2 QUALITY CONTROL SYSTEM

Quality will be the nucleus of our enterprise and we will make sure that it is not compromised at any cost. We expect to incorporate a strict quality management system, which will be responsible for keeping the entire business proceeding under a strict vigil. Our range of products will undergo strict quality check at each level. A variety of measures will be taken to ensure that the finished products meet specifications based on international standards.

4.3 ENVIRONMENT PROTECTION

With a conscious mind, we expect to undertake eco-friendly manufacturing processes and make sure that less effluent and smoke are released. We will take the following three concerns seriously as defined by some of the well-known regulatory bodies.

- Reduction in hazardous environmental release
- Recycling of waste products
- Use of environmentally preferable products

For this, we will source some of the latest and high performing machines for our factory.

5.0 MACHINERY EQUIPMENT AND CIVIL WORKS

5.1 MACHINERY & EQUIPMENT

The company will acquire state of the art gypsum boards and gypsum powder manufacturing machinery and equipment. The technology to be used will be modern to achieve high quality gypsum boards and gypsum powder production. The company is already negotiating with suppliers of required machinery and equipment for supply of the same once all necessary preparations are completed.

5.2 PLANT LOCATION AND CIVIL WORKS

5.2.1 Site and Location

The plant shall be located on industrial site on Miembe Saba Area, Kibaha District, Coast Region. This location takes into consideration such important factors like availability of reliable power.

5.2.2 Production Building Required

The built up area required for production will be medium sized taking into consideration the kind of operations to be undertaken

5.2.3 Office Building

An office block to accommodate the administrative and clerical staff will also be required.

5.3 UTILITY SERVICES

5.3.1 Water

A three-inch diameter pipeline to the premises from the main pipeline is adequate. To avoid incidences of water shortage a water reservoir of capacity 20,000 liters is recommended to be constructed.

5.3.2 Electricity

The Tanzania Electric Supply Company Ltd. (TANESCO) will continue providing the required amount of electricity from the national grid.

6.0 PRODUCTION INPUT REQUIREMENTS AND AVAILABILITY

6.1 INPUTS

Raw gypsum and paper are important raw materials in gypsum board manufacturing. Starch is added to help the paper facings adhere to the core, and paper pulp is added to increase the core's tensile strength as well as water which is added to the plaster of Paris mixture to form a slurry of the proper consistency. An asphalt emulsion and/or a wax emulsion is added to achieve the desired level of moisture resistance in the final product. A foaming agent such as a detergent is included, and during the mixing process air is entrained into the material.

In gypsum powder production, raw materials are mainly desulfurizing gypsum powder, phosphorus gypsum powder and natural mineral gypsum powder

6.2 UTILITIES

6.1.1 Water

We have explained that water will be supplied to the premises from the main pipeline. A water reservoir of capacity 20,000 has been recommended for construction

6.1.2 Power

As said earlier in this report, the source of energy for the proposed project will be electric power.

A standby power generator has also been budgeted for to avoid inconveniences caused by frequent power cuts by TANESCO.

7.0 MANPOWER AND PLANT ORGANIZATION

The proposed project will have three independent departments, namely:

- Production
- Sales and Marketing
- Administration and Finance

7.1 ORGANIZATION

The Board of Directors of M/s Eagle Gypsum Products Limited shall manage the project at policy level. The top most person in the day to day running of the company will be the Managing Director. Under the Managing Director's office will be the three Departments mentioned above. Each will be under a Manager and will comprise a number of Sections each headed by a Section Head as follows.

PRODUCTION DEPARTMENT

Sections:

- Operations
- Maintenance

SALES AND MARKETING DEPARTMENT

Sections:

- Research & Promotion
- Sales

ADMINISTRATION AND FINANCE DEPARTMENT

Sections:

- Human Resources & Administration
- Finance & Accounts

Each Department will be manned by a number of personnel with varying education levels and work experiences.

The management team of M/s Eagle Gypsum Products Limited will comprise the Managing Director, Production Manager, Finance & Administration Manager and Sales & Marketing Manager.

7.2 RESPONSIBILITIES

Responsibilities will be as follows:

7.1.1 Production Department

The Manager will be responsible for gypsum boards and gypsum powder manufacturing operations planning and overseeing daily production activities being carried out. He will further be responsible for repair and maintenance of company assets and research and development activities. The Department will comprise Sections, namely:

- The Production Section which would be responsible for overseeing manufacturing operations. An expatriate will be employed to train the local technicians in this aspect of operations.
- Maintenance Section which will manage gypsum boards and gypsum powder manufacturing plant and machinery maintenance

7.1.2 Finance and Administration Department

An Administration and Finance Manager will head the Department. He will be responsible for the administration of the company as well as overseeing the financial aspects of the company. An Accountant will manage the finance function while a Human Resources Section Head will oversee company human resource issues. The following important units will be under the Department.

- The personnel and administration unit which will be responsible for the general administrative matters of the company as well as personnel issues.
- The finance unit, which will be responsible for financial issues. It will also be responsible for the proper maintenance of books of accounts and financial planning.
- The purchasing unit which will be responsible for the purchase of raw materials, spare parts and equipment. This section will also be responsible for the receipt, storage and issue of purchased materials.

7.1.3 Sales and Marketing Department

This Department will be headed by the Sales and Marketing Manager who will be responsible for the development of a sustainable sales and distribution network. This will involve developing distribution network and recruitment and training of qualified and well motivated marketing and sales personnel.

There will be two Section Heads under the Department. One Section will be responsible for Research & Promotion and another will handle Sales function.

7.3 MANPOWER REQUIREMENT

The permanent manpower requirement for running the proposed factory is 32. Several other employees will be contracted on temporary basis.

7.4 SOURCE OF MANPOWER

Manpower for proposed project will be employed from local sources, except for a few expatriates who would basically be engaged in the training of local staff. The workers will be given on-the-job training for familiarize them with the proposed machinery and equipment.

After the initial 2 years, depending on the results of the training, local counter parts will replace the expatriates.

8.0 INVESTMENT AND FINANCING

8.1 ASSUMPTIONS

The financial projections to determine the viability of the project by M/s Eagle Gypsum Products Limited are based on the following key assumptions:

- Establishment of gypsum boards and gypsum powder manufacturing facilities will start immediately. Thereafter production of gypsum boards and gypsum powder will commence.
- The company market will be local as well as export based on anticipated operations
- Financial calculations are based on current market prices and costs are assumed constant throughout the operating period under view of the assumption that if operation costs change, selling prices will change proportionally to preserve the profit margins.
- The project has adopted the currency exchange rate of United States Dollar 1 = Tanzania Shilling 1,500.00 as prevailing during June 2011.

8.2 SUMMARY OF CAPITAL COSTS

On completion of project implementation, the total investment will reach to US\$ 3.0 million as shown in attached schedules.

8.3 BUILDING AND CIVIL WORKS COSTS

The main civil works required involves construction of factory buildings in which the machinery will be installed. Other civil works will be electrification and water supply, construction of security wall, construction of offices, tank installation, etc. Total investment on land and buildings is estimated at US\$ 300,000

8.4 PLANT MACHINERY AND EQUIPMENT COSTS

The main plant and machinery for the envisaged project will be for gypsum boards and gypsum powder manufacturing operations. Other supporting equipment, tools, accessories, etc. will be required as explained earlier. The total investment on machinery and equipment is based on a quotation received from major suppliers for main production machinery and amount to US\$ 1,800,000 approximately.

8.5 MOTOR VEHICLES

For company work, the promoters intend to procure various vehicles at total cost of US\$ 350,000.

8.6 PRE-PRODUCTION CAPITAL EXPENDITURES

These include project development cost for feasibility study and start-up expenses. A budget of US\$ 100,000 is considered adequate for this item

8.7 INITIAL WORKING CAPITAL

Initial net working capital requirement at maximum for the proposed project works out at about US\$ 280,000. This is mainly for the procurement of initial stocks of raw materials. Rest of the requirement of the working capital will be raised from commercial banks as and when the need arises. This will fluctuate as per stocks in hand.

8.8 FINANCING PATTERN

The financing of the project will be from shareholder's equity contribution.
The financing of the project will take the following form

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	EQUITY(US\$)	LOAN(US\$)
FOREIGN	3,000,000	-
LOCAL	-	-

9.0 COST OF OPERATIONS

The anticipated costs for operating the project are detailed in the following sections and summarized in attached schedules. The summarized costs are based on the fifth year of operation.

9.1 UTILITIES

A total of US\$ 98,827 will be required as water bills and for the purchase of electric power at sustainable production level.

9.2 VEHICLE RUNNING EXPENSES

Vehicle running expenses include fuel, lubricants, road licenses, etc. The cost has been estimated at US\$ 317,247

9.3 SALARIES AND WAGES

The number of employees, along with their incomes, is shown in attached schedules. The total annual wage package is estimated at US \$ 217,333 including fringe benefits and related taxes

9.4 MARKETING

The marketing costs are estimated at US\$ 136,744 in the fifth year of operation as per attached schedules

9.5 DEPRECIATION

The following is a depreciation schedule for major assets to be employed in manufacturing operations of the project.

DEPRECIATION	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Land & Buildings	30,000	30,000	30,000	30,000	30,000
Plant & Equipment	180,000	180,000	180,000	180,000	180,000
Motor Vehicles	35,000	35,000	35,000	35,000	35,000
Furniture & Fixtures	2,000	2,000	2,000	2,000	2,000
ANNUAL DEPRECIATION	247,000	247,000	247,000	247,000	247,000

10.0 FINANCIAL ANALYSIS

10.1 INCOME AND EXPENDITURE

10.1.1 Income

The proposed project by M/s Eagle Gypsum Products Limited expects to earn its income through revenue generated from sale of gypsum boards and gypsum powder. The total sales are expected to stand at US\$ 2,734,889 in the fifth year of operation.

10.1.2 Expenditure

Some project costs have been discussed in Chapter 9 and are summarized in detail in attached schedule.

10.2 NET INCOME STATEMENT HIGHLIGHTS

The project's annual after tax net income during the fifth year of production is estimated to reach US\$ 175,806 as presented in the Income Statement of the financial statements appendix.

10.3 CASH FLOW HIGHLIGHTS

This is shown in the financial statements. The project has a positive end of the year cash flow from year 1 of operation to the 5th year as shown hereunder.

1 st Year	478,320.00
2 nd Year	822,681.00
3 rd Year	1,183,548.00
4 th Year	1,561,374.00
5 th Year	1,955,599.00

10.4 BALANCE SHEET

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$ 2, 354,274.00 in the first year of operation to US\$ 2, 967,629.00 in the 5th year.

1 st Year	2,354,274.00
2 nd Year	2,485,271.00
3 rd Year	2,630,961.00
4 th Year	2,791,823.00
5 th Year	2,967,629.00

11.0 ECONOMIC ANALYSIS:

11.1 ASSUMPTIONS AND CONSIDERATIONS

The basic assumptions underlying economic benefits and costs are:

11.1.1 Taxes on capital costs have not been considered.

11.1.2 Conversion factors have been used to determine economic costs and benefits.

11.1.3 Economic life of the project is assumed to be 5 years.

11.2 ECONOMIC BENEFITS OF THE PROJECT

The successful operation of the Project will contribute significant economic benefits to Tanzania. In summary the benefits which will be realized are as follows:-

- o This project will boost investment in manufacturing sector which is important for the economy, contributing to research and other skills development. It will provide vital support to the manufacturing sector.
- o Employment opportunities for at least 32 permanent staff when the project is fully operational.

- o The direct income for the workers, combined with other social benefits that the Management of M/s Eagle Gypsum Products Limited will provide, will help in overall efforts of alleviation of poverty in the Region.
- o Provision of a market for goods and services demanded by expanded tax base to the Treasury and local Government authorities and generation of substantial income to the Government.

12.0 RECOMMENDATIONS

The project is technically feasible, financially and economically viable and environmental friendly. A fast implementation of the project is highly recommended to avoid cost overruns and for the project to be able to realize the benefits outlined above; especially at this juncture when the Government is making effort to boost investment in various sectors in the economy.

In view of the above it is further strongly recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under Tanzania Investment Act, 1997 to facilitate smooth implementation.

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

EAGLE GYPSUM PRODUCTS LTD					
PROJECTED INCOME & EXPENDITURE STATEMENT					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Sales Revenue	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889
Cost of Sales	855,000	897,750	942,638	989,769	1,039,258
Gross Profit	1,395,000	1,464,750	1,537,988	1,614,887	1,695,631
Operating Expenses:					
Administrative Expenses:	270,000	283,500	297,675	312,559	328,187
Motor Vehicle running expenses	261,000	274,050	287,753	302,140	317,247
Salaries and wages	178,800	187,740	197,127	206,983	217,333
Pension contribution	17,880	18,774	19,713	20,698	21,733
Depreciation	247,000	247,000	247,000	247,000	247,000
Marketing Costs	112,500	118,125	124,031	130,233	136,744
Utility costs	67,500	74,250	81,675	89,843	98,827
Insurance	60,000	60,000	60,000	60,000	60,000
Communication	13,500	14,175	14,884	15,628	17,409
Total Expenses	1,228,180	1,277,614	1,329,857	1,385,084	1,444,480
Profit before Tax	166,820	187,136	208,130	229,803	251,151
Tax (30%)	50,046	56,141	62,439	68,941	75,345
Profit After Tax	116,774	130,995	145,691	160,862	175,806

Project Promoted by M/s Eagle Gypsum Products Limited, P.O. Box 104499 Dar es salaam 50

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

EAGLE GYPSUM PRODUCTS LTD					
PROJECTED BALANCE SHEET					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
<u>Fixed Assets</u>					
Long-term Assets	2,470,000	2,223,000	1,976,000	1,729,000	1,482,000
Depreciation	247,000	247,000	247,000	247,000	247,000
Total Long-term Assets	2,223,000	1,976,000	1,729,000	1,482,000	1,235,000
<u>Current Assets</u>					
Cash	478,320	822,681	1,183,548	1,561,374	1,955,599
Accounts Receivable	1,761,605	1,827,354	1,891,622	1,954,424	2,016,075
Stock	649,410	726,233	803,697	881,837	960,682
Total Current Assets	2,889,335	3,376,268	3,878,867	4,397,635	4,932,356
Total Assets	5,112,335	5,352,268	5,607,867	5,879,635	6,167,356
<u>Current Liabilities</u>					
Accounts Payable	2,689,661	2,795,177	2,901,496	3,008,631	3,116,588
Other Current Liabilities	68,400	71,820	75,411	79,182	83,141
Subtotal Current Liabilities	2,758,061	2,866,997	2,976,907	3,087,812	3,199,728
<u>Long-term Liabilities</u>					
Long-term Liabilities	-	-	-	-	-
Total Liabilities	2,758,061	2,866,997	2,976,907	3,087,812	3,199,728
Net Assets	2,354,274	2,485,271	2,630,961	2,791,823	2,967,629
<u>Capital and Reserves</u>					
Owners Contribution	2,237,500	2,237,500	2,237,500	2,237,500	2,237,500
Retained Earnings	116,774	247,770	393,461	554,324	730,129
Total Capital	2,354,274	2,485,270	2,630,961	2,791,824	2,967,629

Project Promoted by M/s Eagle Gypsum Products Limited, P.O. Box 104499, Dar es salaam 51

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

EAGLE GYPSUM PRODUCTS LTD						
PROJECTED CASHFLOW						
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD	
CASHFLOW FROM OPERATIONS:						
Cash Sales	1,800,000	1,890,000	1,984,500	2,083,725	2,187,911	
VAT Receipt	450,000	472,500	496,125	520,931	546,978	
Subtotal Cash Received	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889	
Expenditures from Operations:						
Purchases	769,500	807,975	848,374	890,792	935,332	
Additional Cash Spent	981,180	1,030,614	1,082,857	1,138,084	1,197,480	
VAT payments	171,000	179,550	188,528	197,954	207,852	
Subtotal Cash payment	1,921,680	2,018,139	2,119,758	2,226,830	2,340,664	
CASH FROM OPERATIONS	328,320	344,361	360,867	377,826	394,225	
CASH FLOW FROM INVESTMENTS:						
Purchase of Assets	- 2,470,000					
Working capital	- 380,000					
CASH FLOW FROM INVESTMENTS:	- 2,850,000					
CASH FLOW FROM FINANCING:						
Owners Equity Contribution	3,000,000					
Bank loan	-					
CASH FLOW FROM FINANCING	3,000,000					
NET CASHFLOW FOR PERIOD	478,320	344,361	360,867	377,826	394,225	
CASHFLOW AT START OF YEAR	-	478,320	822,681	1,183,548	1,561,374	
CASHFLOW AT THE END OF YEAR	478,320	822,681	1,183,548	1,561,374	1,955,599	

Project Promoted by M/s Eagle Gypsum Products Limited, P.O. Box 104499 Dar es salaam 52

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

EAGLE GYPSUM PRODUCTS LTD					
SCHEDULES AND GRAPHS					
SCHEDULE 1					
REVENUE PROJECTION					
PRODUCTS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Gypsum Boards	1,500,000	1,575,000	1,653,750	1,736,438	1,823,259
Gypsum Powder	750,000	787,500	826,875	868,219	911,630
	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889

SCHEDULE 2					
OTHER OPERATING COSTS					
OTHER OPERATING COST	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Motor vehicle running expenses	261,000	274,050	287,753	302,140	317,247
Salaries and wages	178,800	187,740	197,127	206,983	217,333
Pension contribution	17,880	18,774	19,713	20,698	21,733
Depreciation	247,000	247,000	247,000	247,000	247,000
Administrative expenses	270,000	283,500	297,675	312,559	328,187
Marketing Costs	112,500	118,125	124,031	130,233	136,744
Utility costs	67,500	74,250	81,675	89,843	98,827
Insurance	60,000	60,000	60,000	60,000	60,000
Communication	13,500	14,175	14,884	15,628	16,409
Total costs	1,228,180	1,277,614	1,329,857	1,385,084	1,443,480

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

SCHEDULE 3	
COST STRUCTURE	
PARTICULAR	AMOUNT USD
Land and Buildings	300,000
Plant, Machinery & Equipment	1,800,000
Motor Vehicles	350,000
Furniture & Fittings	20,000
Pre expenses	100,000
Others	150,000
Working Capital	280,000
TOTAL	3,000,000

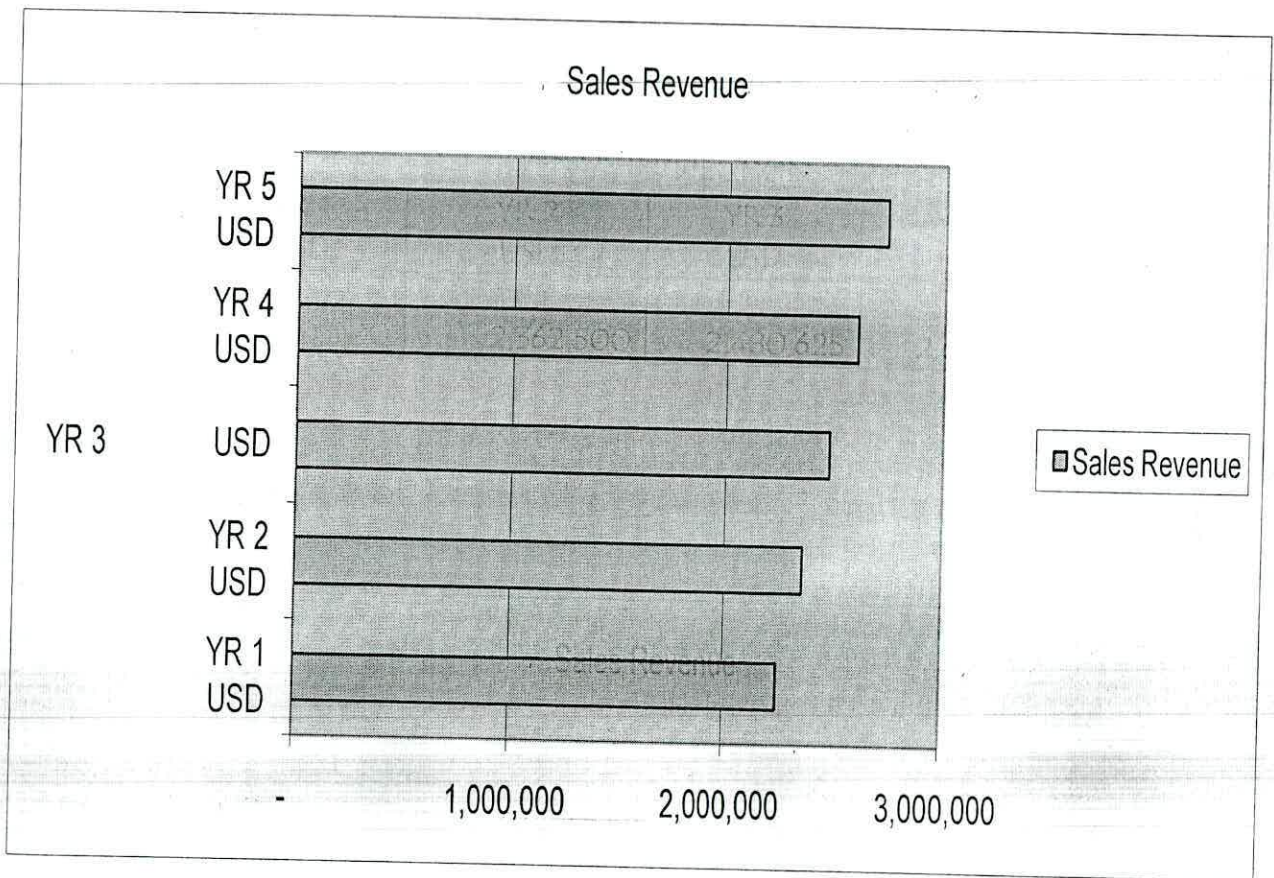
SCHEDULE 4					
FIXED ASSETS SCHEDULE					
NAME OF ASSETS	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Land & Buildings	300,000	270,000	240,000	210,000	180,000
Plant & Machinery	1,800,000	1,620,000	1,440,000	1,260,000	1,080,000
Motor Vehicles	350,000	315,000	280,000	245,000	210,000
Furniture & Fixt.	20,000	18,000	16,000	14,000	12,000
TOTAL	2,470,000	2,223,000	1,976,000	1,729,000	1,482,000
DEPRECIATION	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Land & Buildings	30,000	30,000	30,000	30,000	30,000
Plant & Machinery	180,000	180,000	180,000	180,000	180,000
Motor Vehicles	35,000	35,000	35,000	35,000	35,000
Furniture & Fixt.	2,000	2,000	2,000	2,000	2,000
ANNUAL DEPRECIATION	247,000	247,000	247,000	247,000	247,000
CLOSING FIXED ASSETS	2,223,000	1,976,000	1,729,000	1,482,000	1,235,000

Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

SCHEDULE 5					
SALARIES & WAGES					
NO	DEPARTMENTS/DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	2000	2000	24,000
2	Finance and Administration Manager	1	1500	1500	18,000
3	Production Manager	1	1500	1500	18,000
4	Sales and Marketing Manager	1	1500	1500	18,000
5	Marketing Officer	2	800	1600	19,200
6	Assistant Accountants	1	800	800	9,600
7	Machine Operators	5	500	2500	30,000
8	Technicians	2	500	1000	12,000
8	Secretary	1	300	300	3,600
9	Drivers	5	200	1000	12,000
10	Casual Labourers	7	100	700	8,400
11	Security Guards	3	100	300	3,600
12	Office Assistant	2	100	200	2,400
	TOTAL USD \$	32	9,900	14,900	178,800

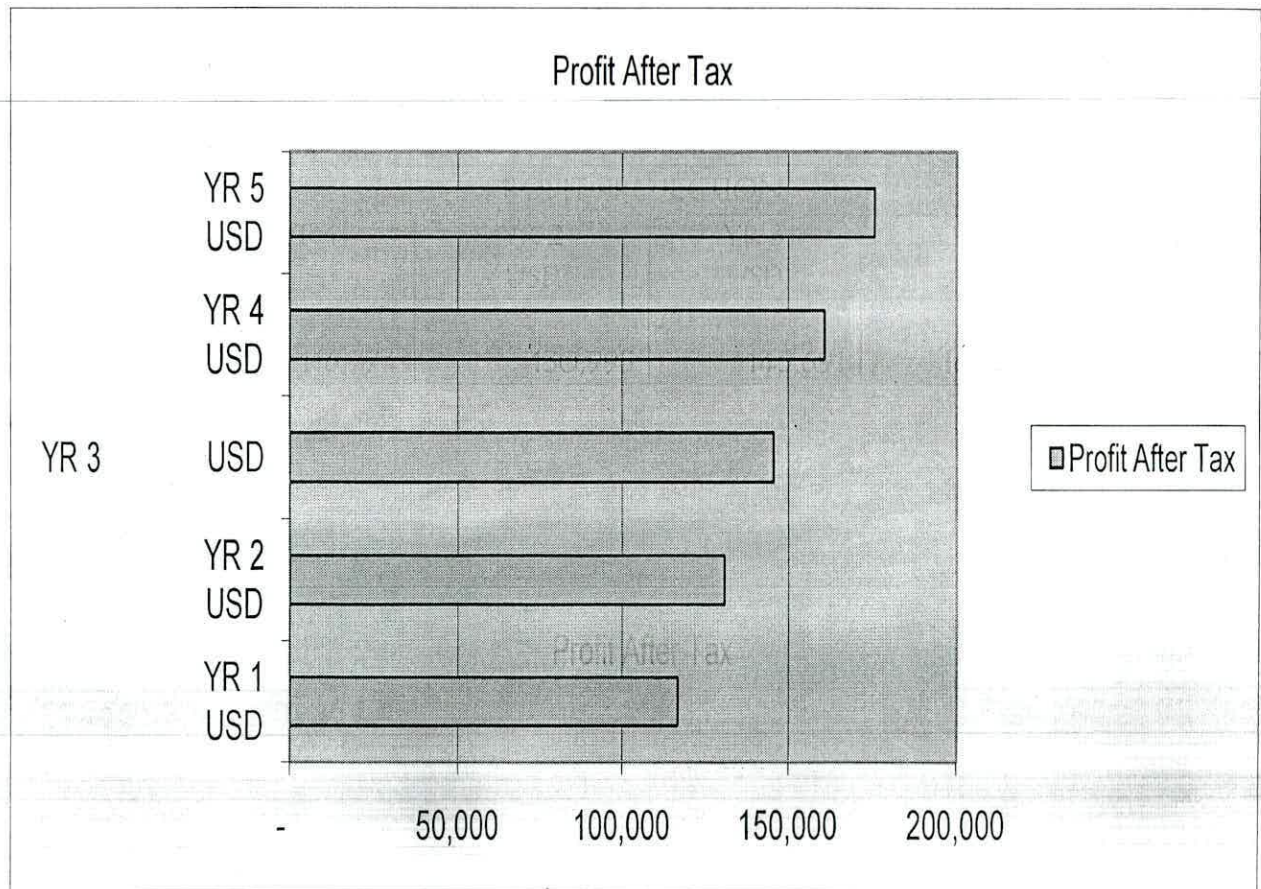
Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

REVENUE PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Sales Revenue	2,250,000	2,362,500	2,480,625	2,604,656	2,734,889



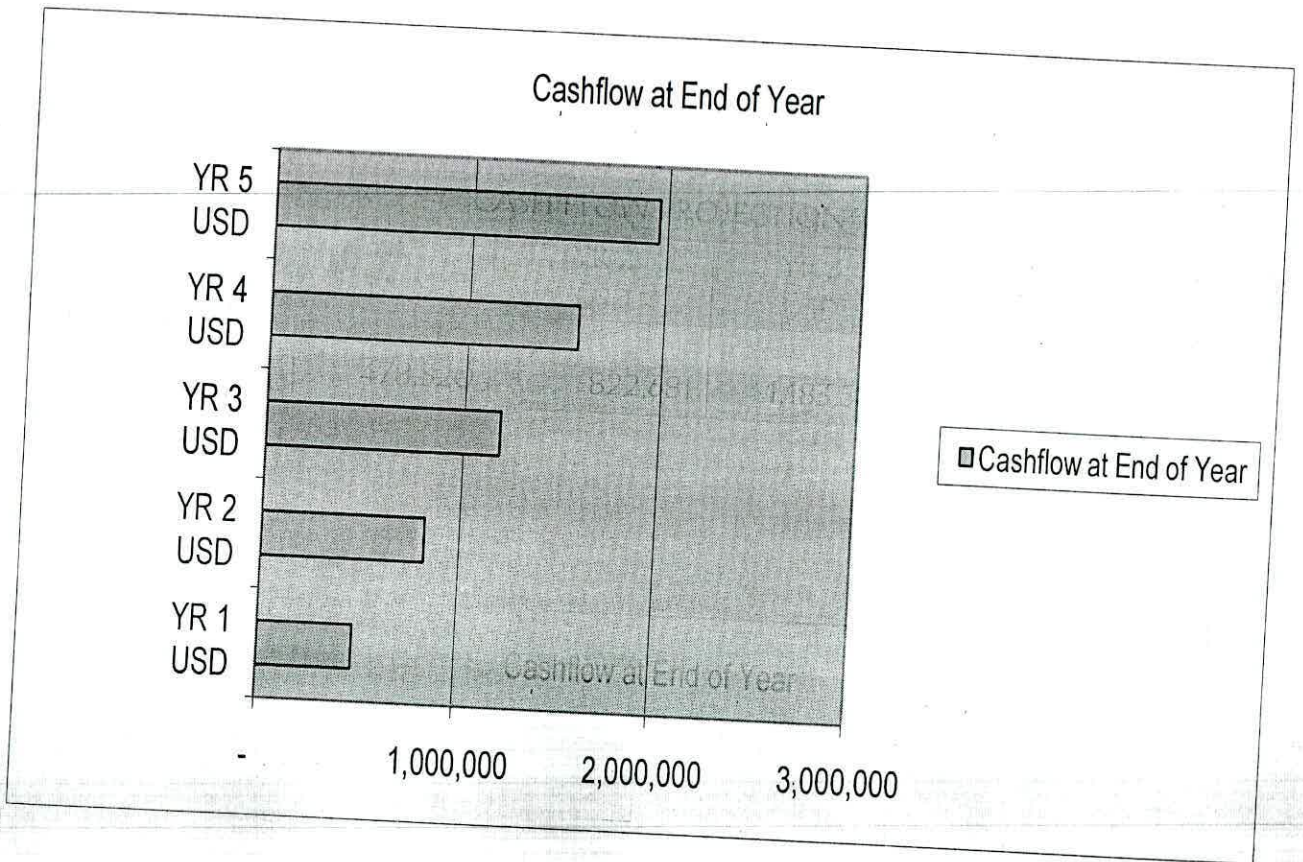
Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

PROFIT PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Profit After Tax	116,774	130,995	145,691	160,862	175,806



Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

CASH FLOW PROJECTION					
	YR 1 USD	YR 2 USD	YR 3 USD	YR 4 USD	YR 5 USD
Cash flow at End of Year	478,320	822,681	1,183,548	1,561,374	1,955,599



Proposed Establishment of Gypsum Boards & Gypsum Powder Manufacturing Project- Business Plan

