

**THREE STAR TANZANIA LIMITED
P.O. BOX 67321
KIBAHA COAST REGION.**

**ANNUAL REPORT AND FINANCIAL STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2024.**

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LIST OF ABBREVIATIONS

| | |
|------|---|
| CPA | Certified Public Accountant |
| ICT | Information Communication Technologies |
| IFRS | International Financial Reporting Standards |
| ISAs | International Standards on Auditing |
| NBAA | National Board of Accountants and Auditors |
| TIN | Tax Identification Number |
| TZS | Tanzania Shillings |

CORPORATE INFORMATION

| | |
|--------------------------|--|
| Country of incorporation | United Republic of Tanzania |
| Nature of business | Carry on Business of importers, exporters, buying, selling, dealers in hardware, building materials, sanitary ware, wallpapers, roofing tiles, flooring tiles, supply of industrial equipment. |
| Bankers | CRDB Bank PLC, Tower Branch, Dar es Salaam NMB Bank, Dar es Salaam |
| Auditors | LAGHE CONSULT, Professional Consultants, Certified Public Accountant Auditors, & Tax Consultant, P. O. Box 234, Dar es Salaam, Tanzania |

THREE STAR TANZANIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024.

The directors submit their annual management report together with the financial statements for the year ended 31st December 2024, which disclose the state of affairs of the Company.

1. **Incorporation:**

The company is domiciled in Tanzania where it is incorporated as a private company limited by shares under the Tanzanian Companies Act 2002.

2. **Principal Activities:**

The principal activities of the company are to carry on Business of importers, exporters, buying, selling, dealers in hardware, building materials, sanitary ware, wall papers, roofing tiles, flooring tiles, supply of industrial equipment.

3. **Financial Performance**

The operating results for the period are set out on page 13 of these financial statements.

4. **Solvency**

The Company's state of affairs as at 31 December 2024 is set out on page 12 of these financial statements. The directors consider the company to be solvent within the meaning ascribed by the Tanzania Companies Act made there under. No matters have come to the attention of the directors to indicate that the Company will not remain a going concern for the next 12 months from the date of this report.

The company incurred a net Loss for the 12-month period to 31 December 2024 amounting to **TZS 464.3 Million**.

The shareholders will provide the necessary financial support to enable the Company to continue its future operations. The directors are of the opinion that the Company will be a going concern in years ahead. Accordingly, the financial statements have been prepared on a going concern basis.

5. **Corporate Governance**

The directors believe that high standards of corporate governance directly influence the organisation's stakeholders and investor confidence and the directors recognise the importance of integrity, transparency and responsibility.

6. **Administrative Matters**

The Company is capable of handling all administrative matters.

7. **Directors**

Directors who held office during the period and to the date of this report are

| <u>Name of Director</u> | <u>Category</u> | <u>Nationality</u> |
|-------------------------|-----------------|--------------------|
| GUO ZHAO | Director | Chinese |
| MURAD SAID SALIM | Director | Tanzania |

THREE STAR TANZANIA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2024. (Continue)

8. Capital Structure and Shareholders of the Company

The shareholders' interests in the issued and fully paid-up share capital of the company as at 31 December 2024 were as follows:

| S/No. | Name | No of Shares | Nationality |
|-------|------------------|--------------|-------------|
| 1. | GUO ZHAO | 70 | Chinese |
| 2. | MURAD SAID SALIM | 20 | Tanzanian |
| 3. | DENG XIAO JUAN | 10 | Chinese |
| 4. | JIE GAO | 23140 | Chinese |

9. Employee's welfare:

The Company's employment terms are reviewed annually to ensure that they meet statutory and market conditions.

10. Disabled persons:


It remains the company's policy to accept disabled persons for employment for those vacancies that they are able to fill.

11. Auditors

The Company's auditors, LAGHE CONSULT Certified Public Accountants were appointed as the company's auditors and are eligible for re-appointment. A resolution to reappoint LAGHE CONSULT as auditors will be put to the Annual General Meeting.

12. Approval of The Financial Statements

The financial statements of THREE STAR TANZANIA LIMITED, as indicated above, were approved by the Board of Directors on and are signed on its behalf by:


.....
Managing Director

28/06/2025
.....
Date



THREE STAR TANZANIA LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED
31ST DECEMBER, 2024

The Companies Act, 2002 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of its profit or loss. It also requires the directors to ensure that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies Act, 2002. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss in accordance with International Financial Reporting Standards.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement. To enable the directors to meet these responsibilities they set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known risks across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring the appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

THREE STAR TANZANIA LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED
31ST DECEMBER, 2024 (Continue)

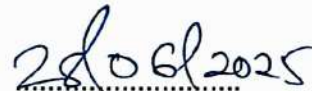
The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable and not absolute, assurance against material misstatement or loss.

The external auditors are responsible for independently auditing and reporting on the Company's financial statements. The financial statements have been examined by the external auditors and their report is presented on pages 9 and 10.

Nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Managing Director



Date



THREE STAR TANZANIA LIMITED

DECLARATION OF THE ACCOUNTANT TO THE MEMBERS OF THREE STAR TANZANIA LIMITED

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's financial position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as shown under Directors' Responsibility statement on an earlier page.

I CPA.....*HERI SPO*.....being the Accountant of THREE STAR TANZANIA LIMITED hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view of the financial position of THREE STAR TANZANIA LIMITED as at 31st December, 2024 and its financial performance and cash flow for the year then ended and that they have been prepared based on properly maintained financial records.

Signature:*AS*.....

Position: **ACCOUNTANT**

NBAA Membership No.....*ACPA 1905*

Date:*28/06/2025*.....



REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of THREE STAR TANZANIA LIMITED

Report on the Financial Statements

Opinion

We have audited the financial statements of THREE STAR TANZANIA LIMITED, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 23.

In our opinion, the financial statements present fairly, in all material respects, the financial position of THREE STAR TANZANIA LIMITED as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the Companies Act 2002.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and requirements of the Companies Act 2002, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

Report of the Independent Auditors

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Report on Other Legal and Regulatory Requirements

This report, including the opinion, has been prepared for, and only for, the company's members as a body in accordance with the Companies Act 2002 and for no other purposes.

As required by the Companies Act 2002 we report to you, based on our audit, that:

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books;
- (iii) the company's statement of financial position and the profit and loss account are in agreement with the books of account;
- (iv) the directors report is consistent with the financial statements; and
- (v) information specified by law regarding directors remuneration and transactions with the company is disclosed.



Leopold Bulondo – ACPA PP-898

Engagement Partner,

LACHE CONSULT

Certified Public Accountants & Auditors

Co-Architecture Building

Plot No. 354/64, India/Bridge Street

P. O. Box 33031-DAR ES SALAAM

P.O. Box 783-IRINGA (Branch)

TANZANIA.



Date: 28th June, 2025

THREE STAR TANZANIA LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2024.

| | | AS AT | AS AT |
|-------------------------------------|-------|-----------------------|-----------------------|
| | | 31.12.2024 | 31.12.2023 |
| | NOTES | TZS. | TZS. |
| ASSETS: | | | |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | 7 | 1,065,343,859 | 1,231,348,726 |
| Work In Progress | 8 | 489,734,667 | - |
| Total Non- Current Assets | | <u>1,555,078,526</u> | <u>1,231,348,726</u> |
| CURRENT ASSETS: | | | |
| Inventory | 15 | 8,675,183,071 | 7,898,749,186 |
| Trade Receivable | 9 | 169,480,069 | 4,760,000 |
| Income Tax Recoverable | 20 | 6,000,000 | - |
| Unclaimed VAT on Import | | 126,000 | 129,334,951 |
| Goods in Transit | | 785,200,162 | 807,111,018 |
| VAT Receivable | | 462,324,965 | 511,026,118 |
| Cash and Cash Equivalent | 10 | 986,643,817 | 368,878,931 |
| Total Current Assets | | <u>11,084,958,084</u> | <u>9,719,860,204</u> |
| TOTAL ASSETS | | <u>12,640,036,609</u> | <u>10,951,208,930</u> |
| EQUITY AND LIABILITIES: | | | |
| Share Capital | 11 | 11,619,547,465 | 50,000,000 |
| Advance Towards Share capital | 12 | - | 11,569,547,464 |
| Retained Earnings/(Loss) | | (1,439,775,088) | (975,384,885) |
| | | <u>10,179,772,377</u> | <u>10,644,162,581</u> |
| LAIBILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payable | 13 | 2,460,264,231 | 298,546,693 |
| Tax Payable | | - | 8,499,657 |
| | | <u>2,460,264,231</u> | <u>307,046,350</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>12,640,036,608</u> | <u>10,951,208,932</u> |

The notes on page 15 to 30 form an integral part of these financial statements



Managing Director.





Date.

THREE STAR TANZANIA LIMITED
STATEMENT OF PROFIT/ (LOSS) AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2024.

| | | 31 Dec 2024 | 31 Dec 2023 |
|---------------------------------------|------|----------------------|----------------------|
| | Note | TZS | TZS |
| Revenue | 14 | 4,484,721,774 | 7,430,406,768 |
| Cost of Sales | 15 | (4,479,854,461) | (7,207,494,564) |
| Gross Profit | | 4,867,313 | 222,912,204 |
| Other Income | | | |
| Foreign Exchange gain | | - | 912,284 |
| Total Income | | <u>4,867,313</u> | <u>223,824,488</u> |
| Expenses | | | |
| Administrative and Operational | 17 | (456,952,742) | (205,830,881) |
| Employment Expenses | 16 | (7,443,872) | (12,302,478) |
| Financial Costs | 18 | (4,860,902) | (3,547,917) |
| | | <u>(469,257,516)</u> | <u>(221,681,276)</u> |
| Profit/ (Loss) before taxation | | (464,390,203) | 2,143,213 |
| Taxation | | - | (14,499,657) |
| Profit/(loss) for the year | | (464,390,203) | (12,356,445) |

The notes on page 15 to 30 form an integral part of these financial statements



Managing Director.

28/06/2025

Date.

THREE STAR TANZANIA LTD.
 P. O. Box 7321
 DAR-ES-SALAAM
 TANZANIA

THREE STAR TANZANIA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

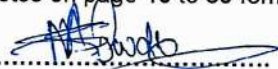
| | Share capital | Advance Towards Share Capital | Retained earnings | Total |
|-------------------------------|-----------------------|-------------------------------------|------------------------|-----------------------|
| | TZS | TZS | TZS | TZS |
| At 1 January 2024 | 50,000,000 | 11,569,547,464 | (975,384,885) | 10,644,162,580 |
| Transfer to Capital | 11,569,547,464 | (11,569,547,464) | - | - |
| Profit/(Loss) for the year | - | - | (464,390,203) | (464,390,203) |
| As at 31 December 2024 | 11,619,547,464 | - | (1,439,775,088) | 10,179,772,377 |
| At 1 January 2023 | 50,000,000 | 1,451,449,315 | (696,978,982) | 558,420,875 |
| Opening Balance Adjustments | | 366,134,360 | (20,000,000) | 346,134,360 |
| Additions | - | 9,751,963,789 | - | 9,751,963,789 |
| Profit/(Loss) for the year | | | (12,356,445) | (12,356,445) |
| As at 31 December 2023 | 50,000,000 | 11,569,547,464 | (975,384,885) | 10,644,162,579 |

The notes on page 15 to 30 form an integral part of these financial statements

THREE STAR TANZANIA LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2024.

| | 2024 | 2023 |
|--|-----------------------------|-------------------------------|
| | TZS. | TZS. |
| A. Cash Flows from Operating Activities | | |
| Net Profit/ (Loss) Before Taxation | (464,390,203) | 2,143,213 |
| Adjustment for items not involving movement of funds: | = | = |
| Depreciation | 200,287,308 | 233,537,313 |
| Operating profit before change in working capital | <u>(264,102,895)</u> | <u>235,680,526</u> |
| Changes in Working Capital items: | | |
| (Increase)/Decrease in Inventory | (776,433,885) | (7,775,201,736) |
| (Increase)/Decrease in Trade and Other receivables | (164,720,069) | 40,347,149 |
| Increase/(Decrease) in Sundry creditors and Accruals | 2,153,217,881 | (843,362,743) |
| (Increase)/Decrease in Unclaimed VAT on imports | 129,208,951 | (96,988,962) |
| (Increase)/Decrease in Goods in Transit | 21,910,856 | (650,236,888) |
| (Increase)/Decrease in VAT Receivable | 48,701,153 | (511,026,118) |
| Net changes in working capital | 1,411,884,888 | (9,836,469,297) |
| Cash Utilized from Operating activities | <u>1,147,781,993</u> | <u>(9,600,788,772)</u> |
| | | |
| Tax paid | <u>(6,000,000)</u> | <u>(6,000,000)</u> |
| Net Cash Flows from operating activities | <u>1,141,781,993</u> | <u>(9,606,788,772)</u> |
| | | |
| B. Cash Flows from Investing Activities: | | |
| Acquisition of PPE | (524,017,109) | - |
| Additional WIP | (489,734,667) | - |
| Net Cash Flow from investing activities | <u>(524,017,109)</u> | = |
| | | |
| C. Cash Flows from Financing Activities: | | |
| Movement on the Capital Account | 11,569,547,465 | |
| Movement on Advance towards share Capital | (11,569,547,465) | 9,751,963,789 |
| Net cash flows from financing activities | = | = |
| | | |
| Net increase/(Decrease) in Cash and Cash Equivalent | 617,764,885 | 145,175,017 |
| Cash and Cash Equivalent at the beginning of the year | <u>368,878,932</u> | <u>223,703,915</u> |
| Cash and Cash Equivalents at the end of the year | <u>986,643,817</u> | <u>368,878,932</u> |

The notes on page 15 to 30 form an integral part of these financial statements



Managing Director.



Date.

THREE STAR TANZANIA LTD.
P. O. Box 7321
DAR-ES-SALAAM
TANZANIA

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS - 2024

1. GENERAL INFORMATION:

THREE STAR TANZANIA LIMITED (the Company) is incorporated in Tanzania under the Companies Act, 2002 as a private company limited by shares, and is domiciled in Tanzania. The principal activity of the company is engaging itself in Business of wholesale of construction materials, hardware, plumbing and heating equipment and supplies.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

a) New standards, amendments and interpretations adopted by the Organization for year ended 31 December 2024

The following new and revised IFRSs have been applied in the current year and had no material impact on the amounts reported in these financial statements, except where stated.

Interest Rate Benchmark Reform --Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (continued)

Hedge accounting requirements. Under the amendments, hedge accounting is not discontinued solely because of the IBOR reform. Hedging relationships (and related documentation) must be amended to reflect modifications to the hedged item, hedging Instrument and hedged risk. Amended hedging relationships should meet all qualifying criteria to apply hedge accounting, including effectiveness requirements.

Disclosures. In order to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition, the amendments require that an entity discloses information about;

- How the transition from interest rate benchmarks to alternative benchmark rates is managed, the progress made at the reporting date, and the risks arising from the transition.
- Quantitative information about non-derivative financial assets, non-derivative financial liabilities and derivatives that continue to reference interest rate benchmarks subject to the reform, disaggregated by significant interest rate benchmark.
- To the extent that the IBOR reform has resulted in changes to an entity's risk management strategy, a description of these changes and how the entity is managing those risks.

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUE)

The IASB also amended IFRS 4 to require insurers that apply the temporary exemption from IFRS 9 to apply the amendments in accounting for modifications directly required by IBOR reform.

The IASB has come to the conclusion that the application of all proposed amendments is mandatory. It also assessed that the nature of the proposed amendments is such that they can only be applied to modifications of financial instruments and changes to hedging relationships that satisfy the relevant criteria and, as such, no specific end of application requirements needed to be specified.

b) New and amended standards and interpretations in issue adopted by the Organization for year ended 31 December 2024

a) The following are new and amended standards

| Standard | Description | Effective Date |
|---|--|----------------------------|
| Amendments to IAS 8): | Definition of Accounting Estimates | on or after 1 January 2023 |
| Amendments to IAS 1 and IFRS Practice Statement 2 | Disclosure of Accounting Policies | on or after 1 January 2023 |
| Amendments to IAS 1 | Classification of Liabilities as Current or Non-Current | on or after 1 January 2023 |
| Amendments to IAS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction | |
| IFRS 17 | Insurance Contracts | on or after 1 January 2023 |
| Amendments to IFRS 3 | Reference to the Conceptual Framework | on or after 1 January 2022 |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by International Accounting Standards Board (IASB).

For the Companies Act, 2002 reporting purposes, in these financial statements, the balance sheet is represented by / is equivalent to the statement of financial position and the profit and loss account is presented in the statement of profit or loss and other comprehensive income.

(b) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards ("IFRS").

The Financial Statements have been prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value
- Financial assets are classified into the following specified categories: financial assets 'at amortized cost', 'at fair value through other comprehensive income', and 'at fair value through profit or loss (FVTPL)'.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3. Disclosures on risk management are disclosed in Note 4 of these financial statements.

These financial statements have been prepared on a going concern basis and in compliance with the International Financial Reporting Standard for Small and Medium sized Entities (IFRS for SMEs) issued by the International Accounting Standards Board. They are presented in Tanzania Shillings (TShs). The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

The transition to IFRS for SMEs has no significant effect on the statement of financial position and statement of comprehensive income

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The company's turnover is in respect of performance of services less discounts, allowances and value added tax.

(d) Foreign currencies

(i) Functional currencies

Items included in the financial statements of the Company are measured using the currency of primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Tanzania Shilling which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

Settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

(e) **Changes in accounting policies**

A number of new standards, amendments to standards and interpretations, relevant to the company, were effective for the year ended 31 December 2024, and have been applied in preparing these financial statements. These standards are summarised below:

The Company has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 January 2021, which resulted in changes in accounting policies and adjustments to the amounts previously recognised in the financial statements.

As permitted by the transitional provisions of IFRS 9, the company elected not to restate comparative figures. Any adjustments to the carrying amount of financial assets and financial liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 'Financial Instruments: Disclosures'.

IFRS 15, '**Revenue from contracts with customers**', which replaces IAS 11, IAS 18 and their interpretations (SIC 13 and IFRIC 13, 15 and 18). The IFRS specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers in recognising revenue being: Identify the contract(s) with a customer; Identify the performance obligations in the contract; Determine the transaction price; Allocate the transaction price to the performance obligations in the contract; and Recognise revenue when (or as) the entity satisfies a performance obligation.

Based on the assessment done by the Company for the year ended 31 December 2024, there were no material impacts on adoption of this standard to the Company because revenue is the result of contract with customers and are adequately recognised when the entity has satisfied a performance obligation.

IFRS 16 Leases

The scope of the new standard includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. The key features of the new standard are:

- The new standard requires lessees to account for all leases under a single on-balance sheet model (subject to certain exemptions) in a similar way to finance leases under IAS 17.
- Lessees recognize a liability to pay rentals with a corresponding asset, and recognize interest expense and depreciation separately.
- The new standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computer) and short-term leases (i.e., leases with a lease term of 12 months or less).

THREE STAR TANZANIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

- Reassessment of certain key considerations (e.g., lease term, variable rents based on an index or rate, discount rate) by the lessee is required upon certain events.
- Lessor accounting is substantially the same as today's lessor accounting, using IAS 17's dual classification approach.

The new standard is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. The new standard permits a lessee to choose either a full retrospective or a modified retrospective transition approach. The new standard's transition provisions permit certain reliefs. The new standard requires lessees and lessors to make more extensive disclosures than under IAS 17.

The application of the standard will primarily affect the accounting for the Company's operating leases. The Company is still assessing to what extent the current operating leases will result in the recognition of an asset and a liability for future payments and how this will affect the Company's results and classification of cash flows.

(f) Property, Plant and Equipment:

All categories of furniture and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying value only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance is charged to the statement of comprehensive income in the year to which it relates.

Depreciation is calculated using the straight line method. The following are the depreciation annual rates:

| Description | % |
|--------------------------|------|
| Land | |
| Building | 5 |
| Plant & Machinery | 25 |
| Motor Vehicles | 25 |
| Computer and Accessories | 37.5 |

The asset's residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in the profit and loss account.

(g) Intangible Assets:

Intangible assets are purchased computer software that is stated at cost less accumulated depreciation and any accumulated impairment losses. It is amortised over its estimated life of three years using the reducing balance method. If there is an indication that there has been a significant change in amortisation rate, useful

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

(h) Accounting for leases

Leases under which the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Obligation incurred under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease, except when an alternative method is more representative of the time pattern from which benefits are derived.

(i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised costs using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is

Established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of a provision account, and the amount of the loss is recognised in the profit and loss account within the cost of sales.

When a trade receivable is uncollectible, it is written off against the provision account for trade receivables. Subsequent recoveries of amounts previously written off are credited against the cost of sales in the profit and loss account.

(j) Employment benefits

Retirement benefits

The company is registered and contributes employee's retirement benefits to the National Social Security Fund (NSSF) which is defined contribution scheme. It contributes 10% of the required of the gross emoluments to the scheme and the contributions are recognised as an expense in the period to which they relate. The remaining 10% is deducted from employees' emoluments. The organization has no further payment obligations once the contributions have been paid. The contributions are recognised as employee's benefit expense when they are due.

(k) Income tax

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax. Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Tanzania Income Tax Act, 2004.

(l) Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(n) Dividends

Dividends on ordinary shares are charged to equity in the year in which they are declared. Proposed dividends are shown as a separate component of equity until declared.

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

(o) Cash and cash equivalents

Cash on hand, demand and time deposits with banks whose original maturities do not exceed three months are classified as cash and cash equivalents in the statement of cash flows. Bank overdrafts are shown within

(p) Non derivative financial liabilities

The Company has the following non-derivative financial liabilities: accrued expenses, and other payables.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(q) Finance income and expenses

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income is recognised in profit or loss on the date the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, changes in fair value of financial assets at fair value through profit or loss. Borrowing costs relating to qualifying assets are capitalised. All other borrowing costs are recognised in profit or loss using the effective interest method.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment and their residual values. The rates used are set out in Note 2 (e) above.

Receivables

Critical estimates are made by the Directors in determining the recoverable amount of impaired receivables.

(ii) Critical judgements in applying the entity's accounting policies

In the process of applying the company's accounting policies, management has made judgements in determining whether assets are impaired or not.

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

5. RISK MANAGEMENT

(a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions,

without incurring unacceptable losses or risking damage to the Company's reputation. Liquidity is further managed by monitoring forecast cash flows to ensure that the company has adequate cash resources to meet its short-term commitments.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

All liquidity policies and procedures are subject to review and approval by the Company's board of directors. The major portion of borrowings relates to a loan from the company's shareholders and is long-term in nature.

(b) Interest rate risk

Currently the company has no significant interest-bearing assets, and therefore, the company's income and operating cash flows are substantially independent of changes in market interest rates.

(c) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's trade and other receivables. The company's principal financial assets are cash and cash equivalents and accounts receivables. The credit risk on cash transactions in liquid fund is limited because the company banks with established and well recognised banking institutions. Trade receivables comprise a limited customer base. Management evaluated credit risk relating to customers on an ongoing basis.

(d) Foreign exchange risk

The company operates and receives funding both locally and internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations. The company does not hedge foreign exchange fluctuations.

6. GOING CONCERN STATUS

The company made Loss after tax for the period ended 31 December 2024 amounting to TZS 464.3 million and (2023: Loss of TZS 12.3 Million) and as of that date its total assets exceeded its total liabilities by TZS 10.1 Billion and in 2023 by TZS 10.9 Billion. The shareholders will provide the necessary financial support to enable the Company to continue its future operations. Accordingly, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

7. PROPERTY, PLANT AND EQUIPMENT:

| | Land | Buildings | Plant & Machinery | Motor Vehicles | Computer & Accessories | Furniture & Fittings | Equipment & Tools | Electrical Transformer | TOTAL |
|---|-------------------|--------------------|----------------------|--------------------|------------------------|----------------------|--------------------|------------------------|----------------------|
| | TZS. | TZS. | TZS. | TZS. | TZS. | TZS. | TZS. | TZS. | TZS. |
| Cost at 1 st January, 2024 | 90,000,000 | 729,459,291 | 1,232,426,079 | 129,500,000 | 912,882 | 32,763,434 | 114,564,246 | 23,948,128 | 2,353,574,060 |
| Additions | - | - | 40,528 | 28,813,559 | - | 1,823,898 | 3,604,456 | - | 34,282,441 |
| At 31.12.2024 | 90,000,000 | 729,459,291 | 1,232,466,607 | 158,313,559 | 912,882 | 34,587,332 | 118,168,702 | 23,948,128 | 2,387,856,501 |
| DEPRECIATION: | | | | | | | | | |
| At 1 st January, 2024 | - | 219,802,596 | 661,977,617 | 108,953,125 | 781,131 | 20,220,609 | 94,400,108 | 16,090,148 | 1,122,225,334 |
| Charge for the year | - | 36,472,965 | 142,622,248 | 12,340,109 | 131,751 | 1,795,840 | 5,942,148 | 982,247 | 200,287,308 |
| At 31.12.2024 | - | 256,275,561 | 804,599,865 | 121,293,234 | 912,882 | 22,016,449 | 100,342,256 | 17,072,395 | 1,322,512,642 |
| Net Book Value at 31st December, 2024 | 90,000,000 | 473,183,731 | 427,866,743 | 37,020,326 | - | 12,570,882 | 17,826,445 | 6,875,732 | 1,065,343,859 |
| Net Book Value as at 31st December 2023 | 90,000,000 | 509,656,696 | 570,448,462 | 20,546,875 | 131,751 | 12,542,825 | 20,164,138 | 7,857,979 | 1,231,348,726 |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

8. WORK IN PROGRESS:

| | BUILDING | |
|---|---------------------------|--|
| | TZS. | |
| Cost at 1st January, 2024 | - | |
| Additions | 489,734,667 | |
| Transfer | | |
| At 31.12.2024 | <u>489,734,667</u> | |
| Amortization | | |
| At start of year 1 st January 2024 | - | |
| Charge for the year | - | |
| Transfer | - | |
| At 31.12.2024 | - | |
| Net Book Value as at 31st December 2024 | <u>489,734,667</u> | |

9. TRADE AND OTHER RECEIVABLES:

| | 2024 | 2023 |
|------------------------------|---------------------------|-------------------------|
| | TZS. | TZS. |
| Advance Payment to Creditors | 164,720,069 | - |
| Advance Deposit | 4,760,000 | 4,760,000 |
| TOTAL | <u>169,480,069</u> | <u>4,760,000</u> |

10. CASH AND CASH EQUIVALENT:

| | 2024 | 2023 |
|------------------------|---------------------------|---------------------------|
| | TZS. | TZS. |
| Cash and Bank Balances | 986,643,817 | 368,878,931 |
| TOTAL | <u>986,643,817</u> | <u>368,878,931</u> |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

11. SHARE CAPITAL:

| | 2024 TZS. | 2023 TZS. |
|--|-----------------------|--------------------|
| Authorized and issued share capital | | |
| 24,000 ordinary shares at TZS 500,000 each | <u>12,000,000,000</u> | <u>500,000,000</u> |
| Issued and paid-up share capital | | |
| 23,239 ordinary shares at TZS 500,000 each | <u>11,619,547,465</u> | <u>50,000,000</u> |
| Authorized and not subscribed share capital | | |
| 761 Ordinary shares at TZS 500,000 each | <u>380,452,535</u> | <u>450,000,000</u> |

12. ADVANCE TOWARDS SHARE CAPITAL:

| | 2024 TZS. | 2023 TZS. |
|---------------------------------|-----------------------|------------------------------|
| Opening Balance | 11,569,547,465 | 1,451,449,315 |
| Restated Opening Balance | - | 366,134,360 |
| Balance as at 01.01.2023 | 11,569,547,465 | 1,817,583,675 |
| Additions | - | 9,751,963,789 |
| Transfer to Paid up Capital | (11,569,547,465) | |
| Balance as at 31.12.2023 | = | <u>11,569,547,465</u> |

13. TRADE AND OTHER PAYABLES

| | 2024 TZS. | 2023 TZS |
|---------------------------|-----------------------------|---------------------------|
| Accrual City Service Levy | 6,103,409 | - |
| NSSF Payable | 1,553,000 | 1,285,200 |
| PAYE Payable | 522,375 | 839,000 |
| SDL Payable | 271,775 | 216,825 |
| Accrued WCF | 38,825 | 30,975 |
| Tuico Contribution | 53,190 | 20,800 |
| Advance Receipts | 430,222,970 | - |
| Audit fee Payable | 900,000 | 900,000 |
| Trade creditors | 2,020,598,687 | 295,253,893 |
| TOTAL | <u>2,460,264,231</u> | <u>298,546,693</u> |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

14. REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Organization and that it can be reliably measured.

Analysis of Revenue

| | 2024 TZS. | 2023 TZS |
|------------------------------|-----------------------------|-----------------------------|
| Sales Before EFD Cancelation | 4,603,899,049 | 7,590,431,500 |
| Cancelation EFD | (119,177,275) | (160,024,731) |
| Net Sales | <u>4,484,721,774</u> | <u>7,430,406,769</u> |

15. COST OF SALES

| | 2024 TZS | 2023 TZS |
|-----------------------------------|-----------------------------|-----------------------------|
| Opening stock of raw materials | 7,898,749,186 | 123,547,450 |
| Add: | | |
| <i>Purchase Import</i> | 1,866,478,734 | 7,376,558,238 |
| <i>Purchase local</i> | 2,227,280,444 | 5,769,054,262 |
| Add: Direct Cost (Note 19) | 1,162,529,168 | 1,837,083,799 |
| <i>Less: Closing stock</i> | <i>(8,675,183,071)</i> | <i>(7,898,749,186)</i> |
| Cost of Sales | <u>4,479,854,461</u> | <u>7,207,494,564</u> |
| | <u>4,479,854,461</u> | <u>7,207,494,564</u> |

16. EMPLOYMENT EXPENSES

| | 2023 TZS | 2023 TZS |
|-------------------|-------------------------|--------------------------|
| NSSF Contribution | 5,389,250 | 8,455,514 |
| SDL | 1,722,578 | 3,421,298 |
| WCF Contribution | 332,045 | 425,666 |
| | <u>7,443,873</u> | <u>12,302,478</u> |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

17. ADMINISTRATIVE EXPENSES:

| | 2024 | 2023 |
|--|---------------------------|---------------------------|
| | TZS. | TZS |
| Fine Interest and penalties | 270,000 | - |
| Tax Expenses to Be Added Back | 472,086 | - |
| Accounting and Audit Fees | 900,000 | 900,000 |
| Air time & internet facility | 570,000 | - |
| Annual Certification fees | | 1,860,000 |
| Annual Fee | 750,000 | - |
| BRELA Search | 22,000 | |
| Business Visa | 655,143 | - |
| Courier Service | 140,000 | |
| Depreciation on Fixed Assets | 200,287,308 | 43,387,826 |
| Fuel Expense | 150,399,352 | 10,204,795 |
| Inspection fees | 3,000,000 | - |
| Industrial Licence Fee | 800,000 | |
| fire safety inspection fee | 6,000,000 | 4,860,000 |
| Land Fee | - | - |
| License and other fee | 3,400,000 | 600,000 |
| Generator Fuel | 900,225 | 2,959,135 |
| Environmental Management Fee | - | - |
| OSHA Inspection and other Fee | 4,840,000 | 4,690,000 |
| Parking Charges | 1,148,000 | - |
| Prior Year Corporate Tax Expenses | | 56,599,149 |
| Repair and maintains Computer | - | 25,000 |
| Prior Year City Service Levy | 19,242,445 | - |
| Motor vehicle insurance | 3,971,110 | 200,000 |
| Marine Insurance on Repair maintenance | 773 | |
| Repair and maintains Building | 5,440,000 | 488,686 |
| Repair of Fire Fitting Equipment | 150,000 | - |
| Motor Vehicle Repair | 2,408,475 | 2,746,394 |
| Salary and Wages Admin. | 23,002,500 | 48,000,000 |
| Sanitary Expenses | 56,500 | 1,500,000 |
| Shipping freight repair maintenance | 73,218 | |
| Staff Medical Examination Expenses | 848,000 | 33,500 |
| Office Expenses | 729,446 | 2,182,803 |
| Staff Welfare | 4,805,500 | - |
| Stationaries | 550,966 | 292,373 |
| Staff Training | 200,000 | - |
| City Service Levy | 13,811,697 | 22,291,220 |
| Weight Measurement of Goods | 7,108,000 | 1,660,000 |
| Packaging Material Expense | - | 350,000 |
| | <u>456,952,742</u> | <u>205,830,881</u> |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

18. FINANCIAL EXPENSES:

| | 2024 TZS | 2023 TZS |
|--------------------------------------|-------------------------|-------------------------|
| Bank charges | 4,482,633 | 3,547,917 |
| Loss on Foreign Exchange fluctuation | 378,269 | - |
| TOTAL | <u>4,860,902</u> | <u>3,547,917</u> |

19. DIRECT EXPENSES

| | 2024 TZS | 2023 TZS |
|---|---------------|-------------|
| Agency Fees | 2,294,000 | 2,289,492 |
| Casual Labor | 426,979,071 | - |
| Clearing and forwarding charges | 540,000 | 107,327,691 |
| Container Transfer Fee | - | 951,600 |
| Corridor Levy | - | 87,696 |
| Custom Handling & verification Charges | - | 75,197,299 |
| Custom Processing Fees | 11,776,926 | 48,579,740 |
| depreciation on plant and EQUIPMENTS | - | 190,149,487 |
| Delivery Order Fee | 43,103.44 | - |
| Documentation Charges | 130,000 | - |
| Detention Fee | - | 49,200 |
| Drop off Fee | 225,000 | 300,000 |
| Factory Gas | 199,000 | - |
| ICD Charges | 6,381,090 | 4,050,400 |
| Import Duty | 74,788,081 | 77,576,448 |
| Packaging Material-Local | 223,069,137 | - |
| Marine Insurance | 756,072 | 101,326,482 |
| Port Charges | 45,604,845.00 | - |
| Miscellaneous Expenses | - | 2,800,000 |
| Other Importation Charges | - | 75,351,671 |
| Railway Development Levy | 38,387,998 | 132,952,839 |
| Repair and maintenances Plant & Machinery | 4,098,719 | 15,480,563 |
| Salary and Wages Production | 30,890,000 | 36,555,140 |
| Service Fees | - | 139,296 |
| Shipping Fee | 1,036,192 | 1,152,583 |
| Shipping Freight | 95,946,635 | 690,435,682 |
| Storage/ imports | - | 22,492,053 |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

DIRECT EXPENSES (Continue)

| | 2024 TZS | 2023 TZS |
|-----------------------------|----------------------|----------------------|
| Tasac Charges | 429,655 | - |
| Testing Fees | 340,000 | 350,000 |
| TBS Fee | 3,580,000 | - |
| Transfer Inn Or Out Charges | - | 2,918,468 |
| Verification Fee | 1,320,000 | 1,852,560 |
| Transportation charges | 46,148,992 | 74,558,705 |
| water & Electricity Charges | 113,072,430 | 108,742,136 |
| Wharfage | 34,492,223 | 63,416,568 |
| | <u>1,162,529,168</u> | <u>1,837,083,799</u> |

20. TAXATION

| | 2024 TZS |
|--|--------------------|
| Profit before tax (as per accounts) | (464,390,203) |
| Add back: | |
| Depreciation | 200,287,308 |
| Amortization | - |
| Items permanently disallowed | 24,790,030 |
| Deductions: | |
| Depreciation allowance | (202,250,476) |
| Low Value Pool | - |
| Tax loss brought Forward | - |
| Adjusted Taxable Profit/(loss) | (441,563,341) |
| Income tax rate (30%) | - |
| Less: Tax payments by way of instalments | |
| First | (1,500,000) |
| Second | (1,500,000) |
| Third | (1,500,000) |
| Fourth | (1,500,000) |
| Total | (6,000,000) |
| Less Withholding Tax at source | - |
| Tax paid for prior year | - |
| Tax Payable Amount | <u>(6,000,000)</u> |

THREE STAR TANZANIA LIMITED
NOTES TO THE FINANCIAL STATEMENTS – 2024. (Continued)

20 a) Tax Payable/(Recoverable) Amount

| | 2024 |
|----------------------------------|---------------------------|
| | TZS. |
| Opening balance 1st January 2024 | - |
| Current tax expense | - |
| Tax Paid During the year | (6,000,000) |
| Balance as at 31.12.2024 | <u>(6,000,000)</u> |

21. CONTINGENCIES

There are no material contingencies as at 31 December 2024, which may possibly result in a loss or gain to the Company or in commitments, which it cannot meet, and for which no provision is considered necessary or only partial provision has been made.

22. EVENTS SUBSEQUENT TO THE YEAR END DATE

The Directors are not aware of any other events (as defined per IAS 10 Events after the Reporting Period) after the reporting date of 31 December 2024.

23. COMPARATIVE

Previous year's figures have been re-arranged whenever considered necessary in order to make them comparable with the current year's figures.

24. CURRENCY

The financial statements are presented in Tanzania Shillings (TZS). Average exchange rate as at 31 December 2024 as per Bank of Tanzania Published rates was TZS 2,708 per 1 USD