

CHAI BORA LID

TICC/ PP. 10/041676/10

20/02/2015

Managing Director,
Chai Bora Limited,
P.O. Box 40670,
DAR ES SALAAM.

**RE: REQUEST OF LAND FOR EXPANSION OF CHAI BORA FACTORY
IN MAFINGA**

Reference is made to the above captioned matter and your letter dated 15/01/2015, which was sent to the District Executive Director Mufindi and copied among others to TIC.

We acknowledge the receipt of the said letter and your concern raised regarding land acquisition for the intended project.

TIC usually works closely with local authorities on matters concerning investment, including the issue at hand. So we will make close follow-ups on your request so that the said land is realized.

We will update you whenever it is appropriate.

With regards

Juliet R. Kairuki
EXECUTIVE DIRECTOR

CC: District Executive Director,
P.O Box 320,
MUFINDI.

THE UNITED REPUBLIC OF TANZANIA
TANZANIA INVESTMENT CENTRE

Telegraphic Address: "INVEST"
Tel: No: (255-22) -2116328
Fax: (255-22) -2118253
E-mail: information@tic.co.tz
Website: www.tic.co.tz
In reply please quote:



Shaaban Robert Street
P.O. Box 938,
DAR ES SALAAM.

Ref. No:..... **TICC/ PP. 10/041676/10**

20/02/2015

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Chai Bora Limited,
P.O. Box 40670,
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(10)

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With regards

Juliet R. Kairuki
EXECUTIVE DIRECTOR

CC: District Executive Director,
P.O Box 320,
MUFINDI.

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TICC/PP.10/041676/8

9th August, 2010

The Managing Director,
Chai Bora Ltd,
P.O.Box 1344,
DAR ES SALAAM.

Dear Sir/Madam,

RE: PROJECT REPORT FOR THE PERIOD ENDING MARCH, 2010

We acknowledge receipt of the project's progress report for the above specified period which we received on 29th June, 2010.

However, in the future we advise you to provide us with updates on the achievements of the project.

We wish you all the best in implementation of the planned activities.

Yours sincerely
TANZANIA INVESTMENT CENTER


Chove P.E.

For: EXECUTIVE DIRECTOR

4. Problems and Solution

The company faced problems with Tea sourcing the better part of 2009 resulting in lower production hence a decline in sales.

The raw tea purchase prices also reached a record high hence increasing the production costs and eroded the operating margins. A revision of the consumer prices to counter the increased cost of production also affected the sales volumes hence the Company was unable to meet its operational targets.

We are currently faced with a major depreciation of the Tshs against the US dollar which has contributed to increased Tea prices and packaging costs.

5. Future Plans

The commencement of the warehouse construction is scheduled for the 3rd quarter of 2010.

6. Recommendations / Comments.

Although there has been a delay in the commencement of the modernization programme, we anticipate the project to be completed by mid 2011 and within the three years project duration.



CHAI BORA LIMITED
P. O. Box 40670
DAR ES SALAAM
TEL: 222862173 / 1298

CHAI BORA LTD

MODERNISATION AND EXPANSION PROJECT/CERTIFICATE OF INCENTIVES NO 041676

PROGRESS REPORT FOR THE PERIOD APRIL 2009 TO MARCH 2010

1. Planned Activities for the period

The company plans to carry out additional investment in the following areas:

- Factory machinery modernization
- Additional warehouses
- Transportation infrastructure

Under the TIC approved project ,the company has budgeted for the following activities and acquisition:

New packing Machines	457,000,000
Fire Fighting Equipment	33,000,000
Warehouse Building	460,000,000
3x12 Tons Trucks	297,000,000
2x7 Tons Trucks	148,000,000
14 Pick Ups for Sales Team	808,000,000
2 Forklifts	132,000,000
Staff Bus	65,000,000
	<u>2,400,000,000</u>

Although there has been no capital expenditure to date towards these specific projects, the Company has finalized the Plans designs for the warehouse building in Mafinga and work is expected to commence in the third quarter of 2010.

The new machinery will be sourced in 2011 after completion of the new warehouse and re-alignment of the existing machinery.

2. Project Financial Expenditure to date

There has been no spending to-date on the above projects but work on the Warehouse building is expected to commerce in the 3rd quarter of 2010.

3. Project Financing

The funding of the project will be from retained profit and equity injection. The shareholders will inject additional funding for the Factory modernization and new warehouse while vehicles will be acquired through Asset Finance and medium term loans.

**CHAI
BORA**



CHAI BORA LIMITED

P.O. Box 40670,
Dar es Salaam, Tanzania
Tel:+255 22 2862173,2861298,
Mobile:+255 784 208849,
Fax:+255 22 2865731,
E-mail:infdar@chaibora.com

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25th June 2010

The Executive Director

Tanzania Investment Centre

P.O.Box 938

Dar es Salaam



Dear Sir,

PROGRESS REPORT – EXPANSION OF ENTERPRISE CERTIFICATE OF INCENTIVES NO. 041675

We enclose the progress report for the period April 2009 to March 2010 under the Certificate of Incentives above.

Despite the delay in commencement of the project, we expect implementation and completion within the stipulated three years of the Certificate.

Yours Sincerely

David Gachoki

MANAGING DIRECTOR

CHAI BORA LIMITED
P. O. Box 40670
DAR ES SALAAM
TEL: 222862173 / 1298





GF TRUCKS & EQUIPMENT LTD

Plot 61/62 Nyerere Road
P.O. Box 19129
Dar es Salaam
Tanzania

Tel: +255 22 2863705
+255 22 2861843 / 45
Fax: +255 22 2861846
Email: info@gftrucks.com

TIN NO: 105-566-514

VAT NO: 40-000311-A

REVISED PROFORMA INVOICE

11th November 2009

REF: GFT-RA-NOV/20/09@

Managing Director
Chai Bora Ltd
Dar es Salaam

Contact Person: Mr. Michael Wachira
Cell: 0789777707

Dear Sir,

We are pleased to quote the price for **One (1) Brand New Units FAW Mini Truck – Model CA1010A1**

Technical Specifications:

- Type : straight four –stroke water-cooled EFI gasoline engine
- Bore X stroke : 62 X 72
- Displacement : 0.87 L
- Compression ratio : 8.7
- Rated Power : 32/5200 Kw/(r/min)
- Max torsion : 66/(3000-3500) (N.m)(r/min)
- Minimum Fuel consumption : 275 (KW.h)
- Engine Model : DA462-1A/D

Engine No : 501452366Sj
Chassis No : LFWA1F1263JA99487

Duty Free Unit Price : US \$ 5,777

US Dollars Five Thousand Seven Hundred and Seventy Seven Only
Duty & VAT payable extra if applicable

Registration Charges & Local Component payable extra Tshs: 600,000/=

- Payment Terms:** Full Payment with confirmed order.
- Delivery:** Ex stock subject to prior sale
- Warranty:** 12 Months/20,000 kms whichever occurs first
- Validity:** Price is valid for **30 Days** from the date of Proforma Invoice


Zuberi Mdachi
Sales Executive
0759 346677


D. Gothandapani
Sales manager
0765 739 608



**CHAI
BORA**



CHAI BORA LIMITED

P.O. Box 40670,
Dar es Salaam, Tanzania
Tel:+255 22 2862173,2861298,
Mobile:+255 784 208849,
Fax:+255 22 2865731,
E-mail:infdar@chaibora.com



16th November 2009

Executive Director

Tanzania Investment Centre

P.O. Box 938

Dar es Salaam

Att: Mr. Raymond F. Mbilinyi

Director of Investment Promotion



Dear Sir

CHAI BORA LIMITED – CERTIFICATE OF INCENTIVES No.041676

Pursuant of the investment incentives under the above certificate, Chai Bora is desirous to acquire the following capital goods from local and overseas suppliers:

1. Motor vehicles for goods carriage (a proforma invoice for some sales distribution units from a local supplier is attached)
2. Tea packing machines
3. Consultancy and building materials for factory expansion

We are seeking your guidance on how to get the necessary approval to start acquiring the above items under the incentives scheme. Kindly give precedence to the sales distribution vehicles as we intend to acquire immediately from the supplier's current stocks.

Yours faithfully

David Gachoki

Managing Director



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A Lakun
\$P Du. 20,381.96
Lakun
PP ye4e

TICC/PP.10/041676/6

18/11/2009

The Managing Director,
M/S Chai Bora Limited,
P.O. Box 1344,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 041676**

We are writing in response to your letter of 16th November, 2009 regarding above captioned subject.

We would like to inform you that in order to have tax exemptions on building materials, you are required to submit summary of schedule of materials (BOQ) endorsed by the registered Quantity Surveyor besides consultancy charges and other expenses are not allowed for tax remissions.

In addition to that you are also requested to submit a comprehensive list of Capital/ Deemed Capital Goods with their quantities. However you may be allowed the light trucks as service trucks and not for sales distribution purposes

Please be guided accordingly.

Yours sincerely

TANZANIA INVESTMENT CENTRE



Revocatus Arbogast

FOR: EXECUTIVE DIRECTOR

19th March 2009.

Executive Director,
Tanzania Investment Centre,
Shaaban Robert Street,
Dar es Salaam.



①

Dear Sir,

RE: APPLICATION FOR PROJECT REGISTRATION – PLANT MODERNISATION AND BUSINESS EXPANSION.

We enclose the following documents necessary for registration of the above investment project.

1. 2 copies of TIC application form.
2. Copy of Company Memorandum and Articles of Association.
3. Certified copy of Certificate of Company incorporation.
4. Copy of Board resolution to register the Company expansion project with TIC.
5. 3 copies of Business plan in support of the project investment.
6. Letter from Company bankers.
7. Letter from the Company share holder to support funding of investment for the expansion project.
8. Proof of land ownership for the project.
9. Various business certificates.

We would appreciate your approval and registration of the project in line with relevant legislation.

Sincerely ,

David Gachoki.

Managing Director.





TIC Evaluation Report

Name of the Company
Chai Bora Ltd.

Post Box	Vingunguti, Ct No. 5745, L. O. No. 73652	COI Number	56590-01	Contact	Mr. David Gachoki
Post Office	1344	COI Date	26/05/2006	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	07574	Phone	0
Country	Tanzania	Status	Expansion	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0785 188 880
		Sub Sector	Blending/Packaging Of Tea And Coffee	Fax	022 286 57 31
		File No	041676	E-Mail Address	Dgachoki@Chaibora.Com

Project Location		Investment Finance Plan in Millions USD			
Plot/Block	CT No. 5745, L. O. No. 73652	Foreign Equity	Local Equity	Foreign Loan	Local Loan
Street	Vingunguti	0	0	0	2.4
District	Ilala				
Region	Dar es Salaam				

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.46
Trans-Century Ltd.	Kenyan	1	Plant	0.49
Crystal Ltd.	Tanzanian	99	Vehicles	1.45
			Furniture & Fittings	0
			Pre-expenses	0
			Others	0
			Working Capital	0
			Total	2.4

Employment	283	Evaluated By	Revocatus Arbogast
Capacity	100 tons	Drawn By	Shokko Registry
Project Turn Over			

Description

To rehabilitate and modernizing of tea packaging plant

Recommendations

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

Decision

*Approved - Fairbanks
 Ed 2/4*

TICC/PP.10/041676/2

6 April 2009

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

Yours sincerely,
Tanzania Investment Centre


B. D. Chonjo
For: Executive Director

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

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

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

TICC/PP.10/041676/2

6 April 2009

Managing Director,
Chai Bora Ltd,
P.O. Box 1344,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
MODERNIZATION AND REHABILITATION OF TEA PACKAGING
PLANT**

We wish to acknowledge receipt of your project proposal to rehabilitate and modernize tea package plant as presented in the TIC P.A. 1 Form No. 07574 and Feasibility Study with a projected investment of USD 2.4 m.

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

- Current Company shareholding position from BRELA.

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

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

LIST OF PAST AND PRESENT MEMBERS (Continued from page 4)
 (Use additional copies of this sheet if necessary)

	Number of shares or amount of stock held by existing members at date of return	Particulars of shares transferred since the date of the last return (or, in the case of the first return, of the incorporation of the company) by (a) persons who are still members, and (b) persons who have ceased to be members		Remarks
		Number/ amount transferred	Date of registration of transfer	
1.	97,501	97,501	31.07.2008	
2.	1	1	31.07.2008	
3.	2,500	2,500	13.01.2009	

LIST OF PAST AND PRESENT MEMBERS (Continued on page 5)

(Use additional copies of this sheet if necessary)

PRESENT MEMBERS

	Names and addresses
1	Crystal Limited, P.O.Box 79651, Dar es Salaam
2	Trans-Century Limited, P.O.Box 42334 – 00100 Nairobi
3	Mr. Joseph James Mungai, P.O.Box 34 Mafinga Iringa

PAST MEMBERS

	Names and addresses
1	Tanzania Tea Packers Limited, P.O.Box 1344 Dar es Salaam
2	Mr. G.C Theobald, P.O.Box 1344, Dar es Salaam
3	

Issued Share Capital

Enter details of all the shares in issue at the date of the return

	Class	Number of shares issued	Aggregate nominal value
1	ORDINARY	100,002	T.Shs. 100,002,000
2			T.Shs.
3			T.Shs.
4			T.Shs.
Totals:		100,002	TShs. 100,002,000

List of past and present members

A full list is required if one was not included with either of the last two returns.

There were no changes in the period

A list of changes is enclosed
(pages 6 & 7)

A full list of members is enclosed
(pages 6 & 7)

I certify that the information given in this return is true to the best of my knowledge and belief.

Signed.....

CHAI BORA LIMITED
[Signature]
COMPANY SECRETARY

Date.....

31st March 2009

Secretary

Directors*(use additional copies of this sheet if necessary)*

Name: Peter Rowland	Business occupation: Director
Previous Name(s): None	Nationality: British
Address: Killyon Manor, Hill of Down, Longwood Co. Meath, Ireland	Date of Birth: 25.08.1954
Other relevant past or present directorships: Tanzania Tea Packers Ltd, Wakulima Tea Company, Tanganyika Finance Company Limited.	

Name: Michael Mwangi Wachira	Business occupation: Finance Director
Previous Name(s): None	Nationality: Kenyan
Address: Box 40670 Dar es Salaam	Date of Birth: 22.02.1964
Other relevant past or present directorships: N/A	

Directors*(use additional copies of this sheet if necessary)*

Name: David Chomba Gachoki	Business occupation: Managing Director
Previous Name(s): None	Nationality: Kenyan
Address: P.O.Box 40670 Dar es Salaam	Date of Birth: 24.10.1971
Other relevant past or present directorships: N/A	

Name: Jacob Kamau Kahiu	Business occupation: Director/Tea Buyer
Previous Name(s): None	Nationality: Kenyan
Address: Box 81120-80100 Mombasa	Date of Birth: 02.12.1953
Other relevant past or present directorships:	

Name: Peter Gachoni Mbogua	Business occupation: Director/Hotelier
Previous Name(s): None	Nationality: Kenyan
Address: Box 74112-00200, Nairobi	Date of Birth: 25.11.1947
Other relevant past or present directorships: N/A	

Directors*(use additional copies of this sheet if necessary)*

Name: Joseph James Mungai MP	Business occupation: MP – Mufindi Board Chairman
Previous Name(s): None	Nationality: Tanzanian
Address: P.O.Box 24, Mafinga, Iringa	Date of Birth: 24.10.1943
Other relevant past or present directorships: Tanzania Tea Packers Limited.	

Name: James Mungai Gachui	Business occupation: Director
Previous Name(s): N/A	Nationality: Kenyan
Address: Box 42558-00100, Nairobi	Date of Birth: 24.03.1948
Other relevant past or present directorships:	

Name: Ngugi Kiuna	Business occupation: Director
Previous Name(s): N/A	Nationality: Kenyan
Address: Box 1372-00621, Nairobi	Date of Birth: 23.03.1949
Other relevant past or present directorships: N/A	

041676

Form No. 128

RECEIVED

APR 2009

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Annual Return of a Company (AMENDED)
Pursuant to section 128 of the Companies Act 2002

Company Number	56590
Name of Company (in full)	CHAI BORA LIMITED

The information in this return is made up to 30th March 2009

Address of Registered office of the Company: P. O. BOX 40670, Plot No. 7/7A Nyerere Road, Vingunguti Area, Dar es Salaam

Company type: COMPANY LIMITED BY SHARES

(If the company does not have a share capital there must be annexed to the return a statement containing particulars of the total amount of indebtedness of the company in respect of all mortgages and charges required to be registered under the Act).

Principal business activities: Tea blending, Packing and Selling

If different from the registered office state address where the register of members or any register of debenture holders is kept.

Register of members	N/A
Register of debenture holders	N/A

Company Secretary

Name: Michael Mwangi Wachira
Previous name(s): N/A
Address: P.O.Box 40670 Dar es Salaam
For official Use Only

4



REPUBLIKI YA MUUNGANO WA TANZANIA
UNITED REPUBLIC OF TANZANIA
KABADHI YA SERIKALI
CHEQUER RECEIPT

30325494 1

TFN. 614 (Rev. 8.94)

MPOKEA KWA
MPOKEA kutoka

CHAI BORA LTD



KIASI
Amount

Shs.				Cts.
USD	7	50		

MIYA YA SHILINGI (Kwa maneno)
Sum of Shillings (Words)

USDOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI
And Cents

MALPO YA
MPOKEA kwa

CERTIFICATE OF INCENTIVES

For Executive Director
Tanzania Investment Centre

ELDER TASLIM/HUNDI NAMBA
MPOKEA/No.

CASH

KIUKU - Station

MPOKEAJI - Receiving Officer's
MPOKEAJI

CHEO - Title

Acc.

TAREHE - Date

08 APR. 2009

DSM.

Pres. Dsm.

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

	Nationality	Shareholding (%)
Crystal Ltd	Tanzanian	99
Trans - Century Ltd	Kenyan	1

2. Proposed Activities : To rehabilitate and modernise tea packaging plant

3. Sector: Manufacturing Subsector Blending/packaging of coffee/tea

4. Investment cost:

	Foreign	-	Local	USD 2.4m.	Total	USD 2.4m.
--	---------	---	-------	-----------	-------	-----------

5. Project Financing:

	-	Loans	USD 2.4m.	Total	USD 2.4m.
--	---	-------	-----------	-------	-----------

6. Source, terms and conditions of loan.....

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	-	USD 2.4m.	USD 2.4m.

8. Technology Agreement None

9. Date of TIC Registration: 6th April 2009

10. Implementation period April 2009 - March 2012

11. Operative date..... 1st April 2012

12. Investment Incentive Grade: As defined in part III Section 19 (1), (2) and Section 20 of the Tanzania Investment Act, 1997
 - (i) Applicable Import Duty And VAT as per Customs Tariff Act, 1976 & VAT Act, 1997
 - (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 
Executive Director



No 00215520

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041676

This is to certify that

CHAI BORA LTD

of address P.O. BOX 1344

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new rehabilitation / expansion
for equity of the enterprise known as

CHAI BORA LTD

Which is located at PLOT NO. 226, BLOCK "A", MAFINGA

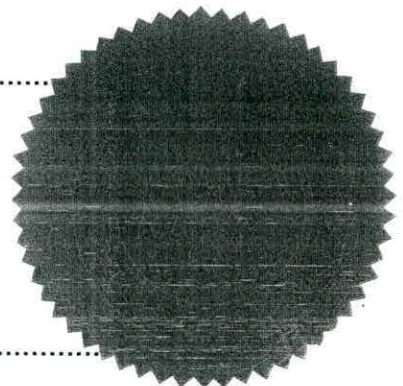
IRINGA

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

Executive Director

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

Dated 20TH APRIL 2009





Investment Breakdown **US\$/Tshs.M**

Land/Building	460,000,000	280,000
Plant	490,000,000	300,000
Vehicles	1,450,000,000	880,000
Furniture & Fittings	-	-
Pre-expenses	-	-
Others	-	-
Working Capital	1,220,000,000	-
TOTAL	2,400,000,000	1,460,000

} BUSINESS PLAN
ATTACHED.

Contact Details:

Name: DAVID GACHOKI Title: MANAGING DIRECTOR (MB)
 Telephone: (255) 07851830880 Fax: +255 22 2865731
 Email: dgachoki@chaibora.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: CHAI BORA LIMITED

Certificate of Incorporation Number: 56590 Status:

Certificate of Incorporation Date: 26TH MAY 2006

Post Box: 1344

Town: DAR-ES-SALAAM

Sector: PRIVATE-MANUFACTURING Sub-Sector: BLENDING/PACKAGING OF TEA AND COFFEE

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>T25.200</u>	<u>T25701 001 000</u>	<u>TSHS 2400,000,000</u>	<u>USD 1080145</u>

Project Objectives: PLANT MODERNISATION, MACHINERY REPLACEMENT, WAREHOUSING EXPANSION FREIGHT AND SALES TEAM INFRASTRUCTURE

Capacity: 100 TONS WAREHOUSE

Employment: Foreign: 3 Local: 280 Total: 282

Implementation Period: 4 YEARS

Project Location

Site/Plot/Block No: CT No. 5145 L.O No 73652

Street: YINGUNGUTI District: ILALA Region: DAR-ES-SALAAM

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>CRYSTAR LTD</u>	<u>TANZANIAN</u>	<u>99.999</u>
<u>TRANS-CENTURY LTD</u>	<u>KENYAN</u>	<u>0.001</u>
.....
.....
.....

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

is Tshs 2.45 BILLION

8. The month and day of the financial year end is 31 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\$

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

I, DAVID GACHOKI of Post Office Number 1344 DARESALAM

..... do solemnly and sincerely declare that I am a director/~~only~~

authorized agent of CHAI BORA LIMITED

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

Declared at Dar es Salaam }

The 11 (day of DEC) 2008


Applicant

Before me:

X

.....
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 DAVID GACHOKI
(director/directors/agent of CHAI BORA LIMITED
(name of business enterprise) apply for registration of CHAI BORA LIMITED
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.

2. The registered office of the company will be situated at PLOT 7/7A, VINGUNGUI AREA,
HYERERE ROAD, DAR ES SALAAM

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 PLOT 7/7A, VINGUNGUI, DAR ES SALAAM

4. The Principal Officers of the Company are ① DAVID GACHOKI - M.D.
② MIKE LUKANYA - O.M
③ MICHAEL WACHIRA - E.D

5. Auditors of the Company are PRICEWATERHOUSE COOPERS,
INTERNATIONAL HOUSE, P. O. Box 45 DAR. ES. SALAAM

6. The authorized share capital of the Company is Tshs US\$ 4,000,000,000 - 00



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

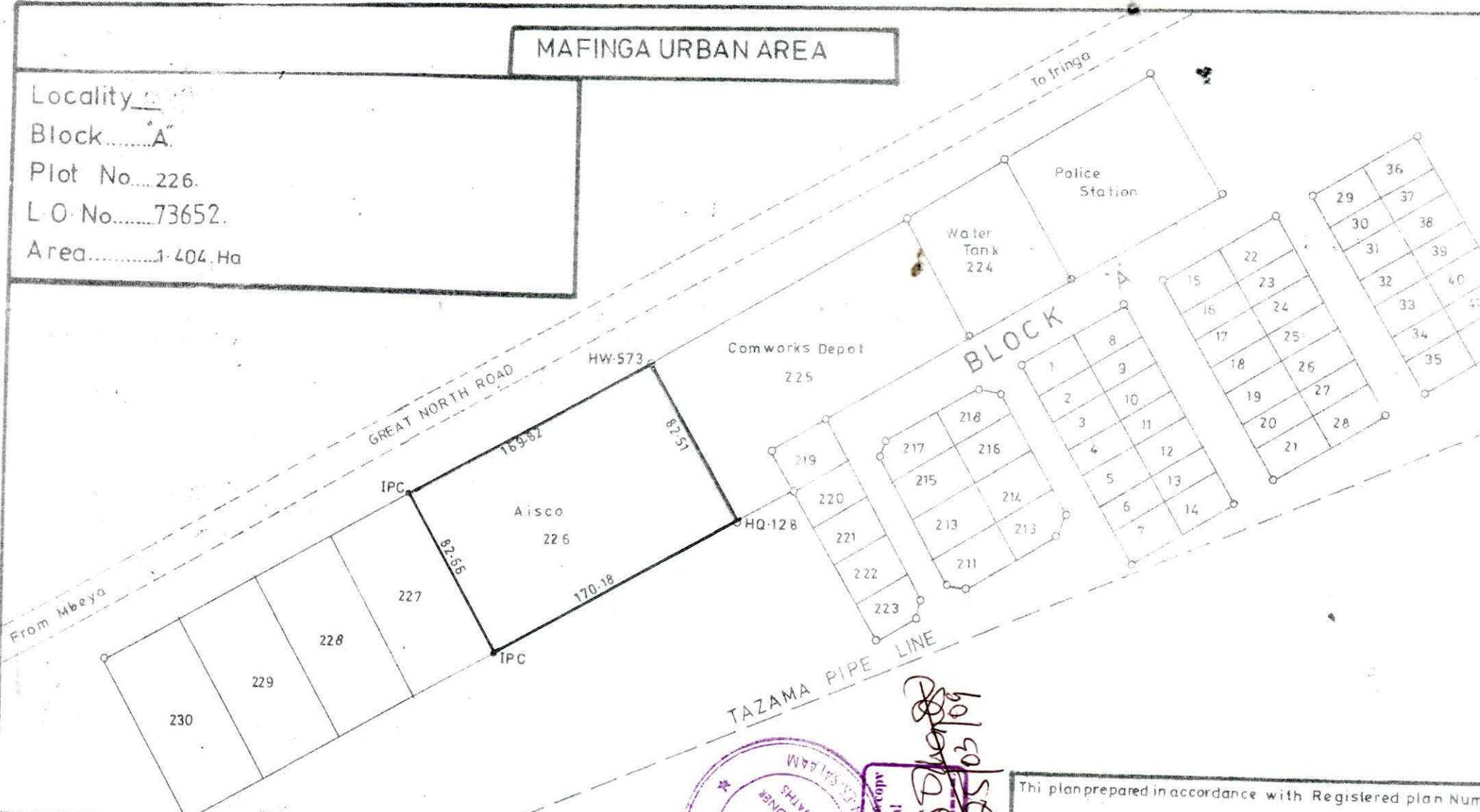
e-mail: information@tic.co.tz

Website: www.tic.co.tz

(Please fill the form in duplicate)

MAFINGA URBAN AREA

Locality _____
 Block.....A
 Plot No....226.
 L.O. No.....73652.
 Area.....1.404 Ha



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

MAFINGA MUNICIPALITY
 ADVOCATE
 &
 NOTARY PUBLIC
 COMMISSIONER
 OF THE CAHNS
 P. M. SALAM

Certified True Copy
 of the original
 P. M. SALAM
 25/03/09

This plan prepared in accordance with Registered plan Num
 is approved for the purposes of land Registration Ordinal
 Director of Surveys and Mapping _____ Date: _____
 Ministry of Lands Housing and Urban Development Da

MORTGAGE

Filed Document No.

DISCHARGED AD No 5258 MBYL

Date of Registration

ON 1-9-2000 AT 1:00 pm

To

MM Mairay
Senior Assk. Registrar of Titles

LAND REGISTRY, MBEYA
MORTGAGE

Filed Document No.

6033-MBYR

Date of Registration 18-7-2001

Time 8:00 am

BANK ZANZANIA CHARTERED
BANK ZANZANIA LIMITED
C/O SECURE UNITED STATES BANK
US\$ 1,500,000 = 7 shs 250,000,000/100

MM Mairay

Senior Assk. Registrar of Titles

LAND REGISTRY, MBEYA
MORTGAGE

Filed Document No.

6033-MBYR

Date of Registration

ON 7-8-2001 AT 6:30 pm

BANK ZANZANIA CHARTERED
BANK ZANZANIA LIMITED
TO SECURE UNITED STATES DOLLAR
US\$ 413,292

MM Mairay

Senior Assk. Registrar of Titles

LAND REGISTRY, MBEYA
MORTGAGE

Filed Document No.

DISCHARGED FD No 4004-MBYR

Date of Registration

ON 2-1-2002 AT 1:00 pm

To SOCIÉTÉ DE PROMOTION
ET DE PARTICIPATION
POUR LA COOPÉRATION
ÉCONOMIQUE

LAND REGISTRY, MBEYA
TRANSFER

Filed Document No.

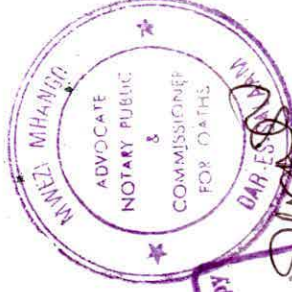
9465-MBYR

Date of Registration 13-6-2007

Time 11:30 AM

To CHAI BORA LIMITED OF P.O
BOX 1344 DAR-ES-SALAM.
(Value T.S.Hs 359,000,000/=)

Senior Assk. Registrar of Titles



Certified true copy
of the original

Used - 25/03/09

SCHEDULE

All that land known as Plot No. 226 Block 'A' Mafinga Urban Area containing one point four zero, four (1.404) Hectares -----

~~shown~~ shown for identification only edged ^{red} on the plan attached to this Certificate and defined on the registered survey plan numbered 24691 deposited at the Office of the ~~Commissioner~~ Director for Surveys and Mapping at Dar es Salaam.

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

[Handwritten Signature]
COMMISSIONER FOR LANDS

GP Form 16941/1-ES/5522/1up

We the within named TANZANIA TEA PACKERS LIMITED hereby accept the terms and conditions contained in the foregoing Certificate of Occupancy.

SEALED with the COMMON SEAL)
of the said TANZANIA TEA PACKERS)
LIMITED and DELIVERED in the)
presence of us this)

28th day of JUNE
1995



Certified true copy
of the original
[Handwritten Signature]

25/03/09

[Handwritten Signature]
Signature:.....

Postal Address: P.O. Box 1344
DAR ES SALAAM
.....

Qualification: CHAIRMAN
.....

[Handwritten Signature]
Signature:.....

Postal Address: P.O. Box 1744
.....

Qualification: SECRETARY
.....

- (vi) Not erect or commence to erect on the land any building except in accordance with building plans and specifications which shall have been first approved by the Authority as hereinbefore provided;
- (vii) Be responsible for the protection of all beacons on the land throughout the term of the Right. Missing beacons will have to be re-established at any time at the Occupier's expenses as assessed by the **Commissioner for Surveys and Mapping, Director**.

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

3.—(i) The Occupier shall not subdivide the land or assign, sublet or otherwise dispose of or deal with the whole or any part of it or of any building on it without the previous written consent of the Commissioner PROVIDED that after condition 2(iv) has been complied with by the Occupier the consent of the Commissioner shall not be necessary—

~~to a single sub-letting of the whole of the land where the sub-lease contains conditions sufficient to ensure compliance with the conditions of the Right;~~

to a sub-letting of the whole of the land or of the whole or any part of any building on it where the sub-lease contains conditions sufficient to ensure compliance with the conditions of the Right.

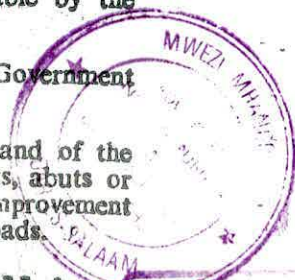
(ii) Occupation or use of the whole or any part of the land or buildings on it by any person other than the Occupier or its employees agents contractors or members of the household shall be deemed a dealing with the land or buildings.

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

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

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

6. The land and the buildings to be erected thereon shall be used for Shop, Office and Godown only. Use Group 'D' use Class (a), use Group 'G' and use I use class (a) as defined in the Town and Country Planning use classes Regulations, 1960.



Certified true copy of the original
[Signature]
 25/03/09

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

Land Form 32

Nyokouab
Asst Registrar of Titles



TANZANIA STAMP DUTY ACT
Stamp Duty Shs. 1000 Paid
on Original Receipt No. 73652
of Nyokouab
Stamp Duty Officer

L.D. No...IRF/8940

THE UNITED REPUBLIC OF TANZANIA

TANZANIA STAMP DUTY ACT
Stamp Duty Shs. 1000 Paid
and Revenue Receipt No. 73652
Issued.
Nyokouab
Stamp Duty Officer

CERTIFICATE OF OCCUPANCY

(Section 9 of the Land Ordinance)

The 11th day of July
nine hundred and ninety five

TITLE NO.

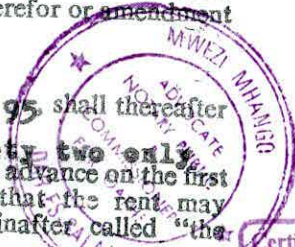
THIS IS TO CERTIFY that **TANZANIA TEA PACKERS LIMITED** (a Limited Liability Company incorporated under the companies ordinance Cap 212) and having its registered Office at P.O. Box 1344, DAR-ES-SALAAM.

(hereinafter called "the Occupier" is entitled to a Right of Occupancy (hereinafter called "the Right") in and over the Land described in the Schedule hereto (hereinafter called "the Land") as ~~joint tenants/as tenants in common in equal shares~~ for a term of thirty three years from the first ----- day of

April ----- One thousand nine hundred and ninety five ----- according to the true intent and meaning of the Land Ordinance and subject to the provisions thereof and to any regulations made thereunder and to any enactment in substitution therefor or amendment thereof and to the following special conditions:—

1. The Occupier having paid rent up to the thirtieth day of June, 19 95 shall thereafter pay rent of Shillings nineteen thousand five hundred ninety two only (19,592/=) a year in advance on the first day of July in every year of the term without any deduction PROVIDED that the rent may be revised by the Minister for the time being responsible for Lands (hereinafter called "the Minister") on the first day of July in each of the years 2005, 2015 and 2025 or within three years thereafter in each case.

2. The Occupier shall:—
 - (i) Erect on the land buildings (hereinafter called "the buildings") in permanent materials designed for use in accordance with the conditions of the Right and which conform to the building line (if any) decided by the Mufindi District Council (hereinafter called "the Authority");
 - (ii) By the thirtieth day of September 19 95, submit to the Authority such plans for the buildings (including block plans showing the position of the buildings) and such drawings, elevations and specifications of them as will satisfy the Authority and as are in accordance with the building condition in sub-paragraph (i) above which said plans and specifications shall be submitted in triplicate;
 - (iii) Within six months from the date of notification by the Authority of approval of the plans and specifications referred to in sub-paragraph (ii) above begin building on the land in accordance with such plans and specifications;
 - (iv) Complete the buildings according to the plans and specifications so that they are ready for use and occupation by the March 1998; thirty first ----- day of
 - (v) At all times during the term after the thirty first ----- day of March 1998 have on the land buildings as approved by the Authority and maintain them in good order and repair to the satisfaction of the Commissioner for Lands (hereinafter called "the Commissioner");



Certified true copy of the original
Mwezi Mhanja
25/03/99



THE UNITED REPUBLIC OF TANZANIA

The National Industries (Licensing and Registration) Act, 1967
(Sections 11, 12, 15)

INDUSTRIAL LICENCE

Licence No 00001942

ISIC Class No 3121/04/20061106

Issued at DAR ES SALAAM

Name of firm and Address CHAI BORA LIMITED

P.O. BOX 1344

DAR ES SALAAM

This Licence permits operating a factory to manufacture for sale

PACKED TEA

Subject to the following conditions:

- (i) that the bearer is obliged to submit annual progress reports on the project
(ii) that the products produced shall conform to the standards accepted by Tanzania Bureau of standards.
(iii) Others: That locally available inputs must be used

Location of the factory MAFINGA STREET MUFINDI IRINGA

6th November 2006

Date

Handwritten signature of T. A. Massawe

T. A. Massawe

Registrar: Ministry of Industry and Trade

CTIN: 00076927

Fax: 2865731



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 15 OF 2004)

THIS IS TO CERTIFY THAT

CHAI BORA LIMITED

has been registered with the Tanzania Revenue Authority and assigned the Taxpayer Identification Number

104-729-479

with effect from 16-Jun-2006

[Signature]
JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

NOTE: THE REQUIREMENTS UNDER WHICH THIS CERTIFICATE IS ISSUED ARE STATED OVERLEAF

09th March, 2009

Executive Director
Tanzania Investment Centre
Shaaban Robert Street
Dar es Salaam

Dear Sirs

CHAI BORA LIMITED – FACTORY MODERNISATION, EXPANSION AND SALES FLEET FUNDING – US\$ 1.6 MILLION LONG-TERM DEBENTURE

Further to our US\$ 7.5 million investment in Chai Bora Limited in purchase of Shares through Crystal Limited, we confirm our plans to support the proposed modernization of the factory machinery, expansion of the warehouses and purchase of trucks and vehicles for the Sales team.

Trans-Century commits to avail funding in excess of US\$ 1.6 million for the project through a convertible long term debenture on terms to be agreed at the time of drawdown.

Yours faithfully



Anthony K. Wainaina
Chief Executive Officer



Head Office • NIC House, Masaba Road • P.O. Box 44599 - 00100 GPO-Nairobi, Kenya • Tel: +254-020-2888000, Fax: +254-020-2888505 Swift Address: NINCKENA
E-mail: info@nic-bank.com • Website: www.nic-bank.com

13th March 2009.

THE EXECUTIVE DIRECTOR,
TANZANIA INVESTMENT CENTRE,
P.O. BOX 938,
DAR ES SALAAM.

Dear Sir,

RE: REFERENCE FOR TRANSCENTURY LIMITED

At the request of Trans-Century Limited of P.O. Box 42588-00100 GPO Nairobi, Kenya. We, NIC Bank Limited of NIC House, Masaba Road, P.O. Box 44599, Nairobi, Kenya advise that Trans-Century Limited is known to us as an investment company and has maintained and continues to maintain satisfactorily conducted accounts since October 2002.

Judging from the conduct of these accounts and our ready knowledge of their business activities, the company has an ability to raise the necessary capital for investment in expansion of Chai Bora Limited (their subsidiary) business in excess of US \$1,600,000 (USD One Million Six Hundred Thousand)

We have had no reason to enquire into their private affairs but we are unaware of any adverse information on their activities.

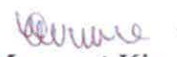
This information is afforded to you in strict confidence and without guarantee and upon the express condition that neither the bank nor any of its officers shall in any way be held liable for giving it.

The information is for private use only, but should it be communicated to a third party, please note that it is a condition of this letter that the name of this bank will not be disclosed.

Yours Faithfully,


Robert Kairo

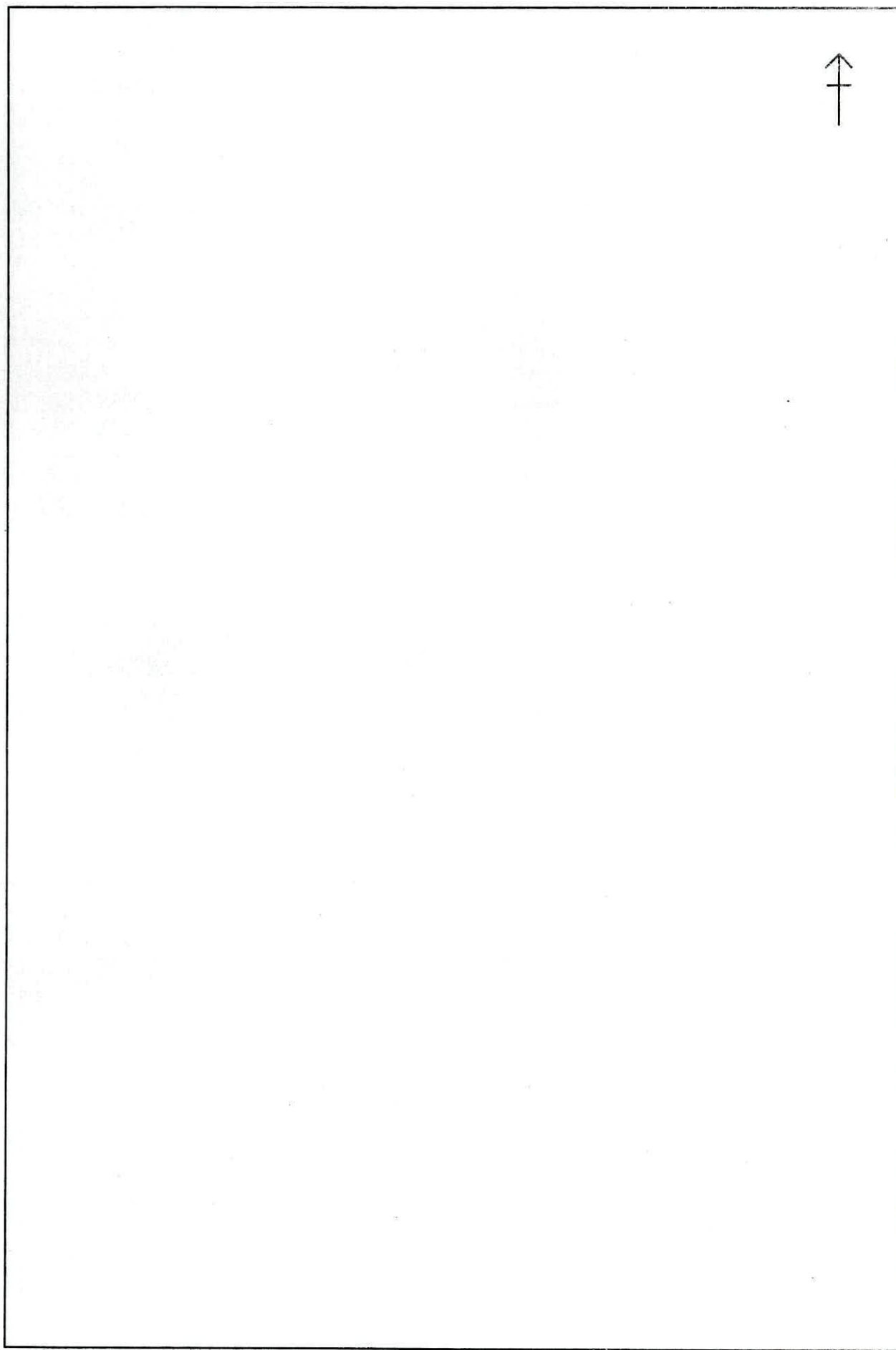
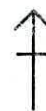
Analyst, Corporate Banking


Margaret Kimuma

Manager, Corporate Banking.



SKETCH MAP SHOWING PROJECT LOCATION



Investment Breakdown ^{TCHC} **US\$/Tshs.M-**

Land/Building	460,000,000
Plant	490,000,000
Vehicles	1,450,000,000
Furniture & Fittings	-
Pre-expenses	-
Others	-
Working Capital	-
TOTAL	2,400,000,000

BUSINESS PLAN
ATTACHED

Contact Details:

Name: DAVID GACHOKI Title: MANAGING DIRECTOR (MB)
Telephone: (255) 07851830880 Fax: +255 22 2865731
Email: dgachoki@chaibora.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: CHAI BORA LIMITED

Certificate of Incorporation Number: 56590 Status:

Certificate of Incorporation Date: 26TH MARCH 2006

Post Box: 1344

Town: DAR-ES-SALAMU

Sector: PRIVATE-MANUFACTURING Sub-Sector: BLENDING/PACKAGING OF TEA AND COFFEE

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity Local Equity 081 Foreign Loan Local Loan

TSHS 2400,000,000

Project Objectives: PLANT MODERNISATION, MACHINERY REPLACEMENT, WAREHOUSING, EXPANDED FREIGHT AND CRG TEAM INFRASTRUCTURE

Capacity: 100 TONS WAREHOUSE

Employment: Foreign: 3 Local: 280 Total: 282

Implementation Period: 4 YEARS

Project Location

Site/Plot/Block No.: CT No. 5745, L.O No 73652

Street: YINGUHQUTI District: ILALA Region: DAR-ES-SALAMU

(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} 2.4 BILLION
8. The month and day of the financial year end is 31 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\$

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

I, DAVID GACHOKI of Post Office Number 1344 DARESALAM

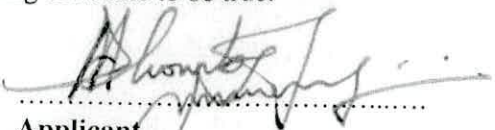
..... do solemnly and sincerely declare that I am a director/duly

authorized agent of CHAI BORA LIMITED


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

Declared at Dar es Salaam }
}

The 19 day of DEC. 2008


Applicant

Before me:


.....
Commissioner for Oaths



Attach only where applicable, otherwise indicate "N/A"

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT

(No. 26 of 1997)

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- (iv) Evidence of financing and evidence of land ownership for the project

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4. The Principal Officers of the Company are ① DAVID GACHOKI - M.D.
② MIKE LUKANYA - O.M
③ MICHAEL WACHIRA - E.D

5. Auditors of the Company are PRICEWATERHOUSE COOPERS
INTERNATIONAL HOUSE, P. O. Box 45 DAR. ES. SALAAM

6. The authorized share capital of the Company is Tshs. US\$ 4,000,000,000.00



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)

Name, Postal address
And Occupation of
Subscriber's

Number of Shares
taken by each
subscriber

Signature of
Subscribers

Tanzania Tea Packers Limited
P O Box 1344
Dar es Salaam

1

Limited Liability Company

(Joseph James Mungai - Director)

George Carmichael Theobald
P O Box 1344
Dar es Salaam

1

Director



Dated the 16th day of May 2006

WITNESS to the above signatures/seal:

Name:

Address:

Description:

132. A notice may be given by the Company to the persons entitled to a share in consequence of the death or bankruptcy of a Member by sending or delivering it, in any manner authorized by the Articles, addressed to them by name, or by the sending or delivering it, in any manner authorized by the Articles, addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, within the Tanzania supplied for the purpose by the persons claiming to be so entitled. Until such an address has been supplied, a notice may be given in any manner in which it might have been given if the death or bankruptcy had not occurred.
133. A Member present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received purpose for which it was called.

WINDING UP

134. If the Company is wound up the liquidator may, with sanction of a special resolution of the Company and any other sanction required by the Act divide amongst the Members in specie the whole or any part of the assets of the Company and may, for that purpose, set such value as he deems fair upon any property to be divided and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall determine, but no Member shall be compelled to accept any shares or other securities upon which there is a liability.

INDEMNITY

135. Subject to the provisions of the Act, but without prejudice to any indemnity to which a director may otherwise be entitled, every director or other officer or auditor 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 judgment is given in his favour or in which he is acquitted or in connection with any application under Section 481 of the Act in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

the Company is not aware or to more than one of the joint holders of any shares or debentures.

CAPITALIZATION OF PROFITS

128. The directors may, with the authority of an ordinary resolution of the Company:
- (a) Resolve to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and that such sum be capitalized to the Members who would have been entitled to it were distributed by way of dividend and in the same proportions and apply such sum either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or in paying up in full in issued shares or debentures of the Company to be allotted and distributed.
 - (b) Make such provision of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and authorize any person to enter on behalf of all the Members entitled there to into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any shares or debentures to which they are entitled upon such capitalization, and any agreement made under such authority shall be effective and binding on all such Members.

AUDIT

129. Auditors shall be appointed and their duties regulated in accordance with Sections 170 to 179 of the Act.

NOTICE

130. Any notice to be given to or by any person pursuant to the Articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The Company may give any notice to a Member either personally or by sending it by post in a prepaid envelop addressed to the Member at his registered address, or by leaving it at that address. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, preparing, and posting a letter containing the notice, and to have been effected at the expiration of (seventy-two) hours after the letter containing the same was posted. A Member whose registered address is not within the Tanzania and who gives to the Company an address within the Tanzania at which notices may be given him shall be entitled to receive any notice from the Company.
131. A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of Members in respect of the share.

and to such person and to such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent, and payment of the cheque shall be a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by them as joint holders.

121. No dividend or other moneys payable in respect of a share shall bear interest against the Company unless otherwise provided by the rights attached to the share.
122. Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited and cease to remain owing by the Company.

ACCOUNTS

123. The directors shall cause proper books of account to be kept with respect to:-
 - (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place;
 - (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.

Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

124. The books of account shall be kept at the registered office of the Company, or, subject to Section 151(4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
125. No Member shall (as such) have any right of inspecting any accounting records or other book or document of the Company except as conferred by statute or authorized by the directors or by ordinary resolution of the Company.
126. The directors shall, in accordance with Sections 153, 155 and 159 of the Act, cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts balance sheets, cash flow statements, group accounts (if any) and reports as are referred to in those section.
127. In accordance with Section 163 of the Act, the copy of the Company's annual accounts to be laid before the Company in general meeting together with a copy of the director's report and the auditor's report shall not less than twenty-one days before the date of the meeting be sent to every Member of, and every holder of debentures of, the Company. Provided that this Article shall not require a copy of those documents to be sent to any person of whose address

THE SEAL

114. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and otherwise so determined it shall be signed by a director and by the secretary or by a second director.

DIVIDENDS AND RESERVE

115. Subject to Section 180 of the Act, the Company may by ordinary resolution declare dividend in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the directors.
116. Subject to the provisions of the Act, the directors may from time to time pay to the Members such interim dividends as appear to the directors to be justified by the profits of the Company available for distribution.
117. The directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the direction of the directors, be applicable for any purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the directors may from time to time think fit. The directors may also without placing the same to reserve carry forward and any profits which they may think prudent not to divide.
118. Except as otherwise provided by the rights attached to shares, all dividends shall be declared and paid according to the amounts paid on the shares in respect of which the dividends is paid. All dividends shall be apportioned and paid proportionately to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.
119. Any general meeting declaring a dividend may, upon the recommendation of the directors, direct payment of such dividend wholly or partly by the distribution of assets and, where any difficulty arises in regard to the distribution, the directors may settle the same, and in particular may issue fractional certificates and fix the value of distribution of any assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of Members, and may vest any assets in trustees.
120. Any dividend, interest or to other moneys payable in cash in respect of shares may be paid by cheque sent through the post to the registered address of the holder or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the register of Members or to such person

107. A director shall not be counted in the quorum present at a meeting in relation to a resolution on which he is not entitled to vote.
108. The Company may by ordinary resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of the Articles prohibiting a director from voting at a meeting of directors or of a committee of directors.
109. Where proposals are under consideration concerning the appointment of two or more directors to offices or employment with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each director separately and (provided he is not for another reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
110. If a question arises at a meeting of directors or of a committee of directors as to the right of a director to vote, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any director other than himself shall be final and conclusive.

MINUTES

111. The directors shall cause minutes to be made in books kept for the purpose-
- (a) of all appointments of officers made by the directors;
 - (b) of the names of the directors present at each meeting of the directors and of any committee of the directors;
 - (c) of all resolutions and proceedings at all meetings of the Company, of the holders of any class of shares in the Company, and of the directors, and of committees of directors.

SECRETARY

112. The secretary shall be appointed by the directors for such term, at such remuneration and upon such conditions as they may think fit; and any secretary so appointed may be removed by them.
113. A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a director and the secretary shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, the secretary.

director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting directors to any director who is absent from the Tanzania.

99. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.
100. The continuing directors may act notwithstanding any vacancy in their number, but, if their number is reduced below the number fixed as the necessary quorum, the continuing directors or director may act only for the purpose of filling vacancies or of calling a general meeting.
101. The directors may appoint one of their number to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so the director so appointed shall preside at every meeting of directors as which he is present.
102. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, directors present may choose one of their number to be chairman of the meeting.
103. The directors may delegate any of their powers to any committee consisting of one or more directors; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors. Subject to any such regulations, the proceedings of a committee with two or more Members shall be governed by the Articles regulating the proceedings of directors so far as they are capable of applying.
104. All acts done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
105. A resolution in writing, signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or (as the case may be) a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.
106. Save as otherwise provided in the Articles, a director shall not vote at a meeting of directors or of a committee of directors on any resolution concerning a matter in which he has directly or indirectly an interest or duty which is material and which conflicts or may conflict with the interests of the Company. Subject to and in accordance with the provisions of the Act, an interest of a person who is connected with a director shall be treated as an interest of the director.

DISQUALIFICATION AND REMOVAL OF DIRECTORS

93. The office director shall be vacated if the director.
- (a) ceases to be a director by virtue of any provision of the Act or he becomes prohibited by law from being a director; or
 - (b) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) becomes of unsound mind; or
 - (d) resigns his office by h notice in writing to the Company; or
 - (e) shall for more than six consecutive months have been absent without permission of the directors from meetings of the directors held during that period and the directors resolve that his office be vacated.

APPOINTMENT AND RETIREMENT OF DIRECTORS

94. The Company may by ordinary resolution appoint a person who is willing to act to be a director either to fill a vacancy or to be an additional director.
95. The directors may appoint a person who is willing to act to be a director, either to fill a vacancy or as an additional director, provided that the total number of directors does not exceed the number fixed by or in accordance with these Articles. A director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re-election.
96. The Company may by ordinary resolution, of which special notice has been given in accordance with Section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and the director. Such removal shall be without prejudice to any claim the director may have for damages for breach of any service contract with the Company.
97. The Company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding regulation, and without prejudice to the powers of the directors under Article 95 the Company may by ordinary resolution appoint any person to be a director either to fill a vacancy or as an additional director.

PROCEEDINGS OF DIRECTORS

98. Subject to the provisions of the Articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a

88. For the purposes of Articles 86 and 87:
- (a) a general notice given to the directors that a director is to be regarded as having an interest of the nature and extend specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the director has interest in such transaction of the nature and extend specified; and
 - (b) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.
89. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the director shall from time to time by resolution determine.

REMUNERATION AND EXPENSES, GRATUITIES AND PENSIONS

90. The remuneration of the directors shall be determined by ordinary resolution of the Company and, unless the resolution otherwise provides such remuneration shall be deemed to accrue from day to day. The directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or any committee of the directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the business of the Company.
91. The directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who had held any other salaries office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provisions of any such gratuity, pension or allowance.

BORROWING POWERS

92. The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

83. The directors may by power of attorney appoint any person to be the attorney or agent of the Company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.
84. The Company may exercise the powers conferred upon the Company by Sections 124 to 127 of the Act with regard to the keeping of a branch register, and the directors may (subject to the provisions of those sections) make and vary such regulations as they may think fit respecting the keeping of any such register.

DIRECTOR'S APPOINTMENTS AND INTERESTS

85. The directors may appoint one or more of their number to the office of managing director or to any other executive office under the Company and may enter into an agreement or arrangement with any director for his employment by the Company or for the provision by him of any service outside the scope of the ordinary duties of a director. Any appointment of a director to an executive shall terminate if he ceases to be a director, but without prejudice to any claim to damages for breach of the contract of service between the director and the Company. A managing director and a director holding any other executive office shall not be subject to retirement by rotation.
86. A director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the directors in accordance with Section 209 of the Act.
87. Subject to the provisions for the Act, and provided that he has disclosed to the directors the nature and extent of any material interest of his, a director notwithstanding his office:
- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
 - (b) may be a director or other office of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in any body corporate promoted by the Company or in which the Company may be interested;
 - (c) shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment remuneration or other benefits received by him as a director or office of, or from his interest in, such other company unless the Company otherwise directs.

Provided that nothing herein contained shall authorize a director his firm to act as auditor to the Company.

This form is to be used in favour of / against resolutions (1/2/3 etc) unless otherwise instructed, the proxy will vote as he thinks fit or abstain from voting.

76. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
77. A vote given in accordance with the terms of an instrument of proxy, or poll demanded by proxy, or by the duly authorized representative of a corporation shall be valid notwithstanding the previous determination was received by the Company at its registered office (or at such other place at which the instrument or proxy was duly deposited) before the commencement of the meeting or adjourned meeting at which the proxy is used.

CORPORATIONS ACTING BY REPRESENTATIVE AT MEETINGS

78. Any corporation which is a Member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members of the Company, and the person so authorized shall be entitled to exercise the same power on behalf of the corporation which he represents as the corporation could exercise if were an individual member of the Company.

DIRECTORS

79. The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum of association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two.
80. The following shall be the first directors of the Company:
- (1) GEORGE CARMICHAEL THEOBALD
 - (2) JOSEPH JAMES MUNGAI
 - (3) VIMALENDU KUMAR TEWARI
81. 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.

POWERS AND DUTIES OF DIRECTORS

82. Subject to the provisions of the Act, the memorandum and the Articles and to any directions given by special resolution, the business of the Company shall be managed by the directors, who may exercise all the powers of the Company. No alteration of the memorandum or Articles and no such directions shall invalidate any prior act of the directors which would otherwise have been valid. The powers given by this Article shall not be limited by any special power given to the directors by the Articles and a meeting of directors at which a quorum is present may exercise all powers exercisable by the director.

71. On poll votes may be given either personally or by proxy. A Member may appoint more than one proxy to attend on the same occasion.

72. The instrument appointing proxy shall be in writing executed by or on behalf of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under or under the hand of an officer or attorney duly authorized. A proxy need not be a Member of the corporation, either under seal, or under the hand of an officer or attorney duly authorized. A proxy need not be a Member of the Company.

73. The instrument appointing a proxy and any authority under which it is executed a copy of that authority certified notarially or in such other manner as approved by the directors shall be deposited at the registered office of the Company or at such other place within the Tanzania as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

74. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:

" Limited
I/we of being a
Member/Members of the above named company, hereby
appoint of or failing him,
..... of As my/our proxy to vote for me/us on
my/our behalf at the (annual or extraordinary, as the case may be) general
meeting of the company to be held on the day of
..... and at any adjournment thereof.
Signed this day
of 200....."

75. Where it is desired to afford Members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstance admit;

" Limited
I/we of being a
Member/Members of the above named company, hereby
appoint of or failing him,
..... of as my/our proxy to vote for me/us on my/our
behalf at the (annual or extraordinary, as the case may be) general meeting of
the company to be held on the day of and at
any adjournment thereof.

Signed this day of 200....."

62. Except as provided in Article 64, if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
63. In the case of an equality of votes, whether on a show of hands or on a poll the chairman of the meeting shall be entitled to a casting vote in addition to any other vote he may have.
64. A poll demanded on the election of a chairman or on a question of adjournment shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time not being more than thirty days after the poll is demanded as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.
65. A resolution in writing executed by or on behalf of each Member who would have been entitled to vote upon it if it had been proposed at a general meeting duly convened and held, and may consist of several instruments in the like form each executed by or on behalf of one or more Members.

VOTES OF MEMBERS

66. Subject to any rights or restrictions attached to any share or class or classes of shares, on a show of hands every Member (being an individual) present in person or (being a corporation) present by a duly authorised representative, not being himself a Member entitled to vote, and on a poll every Member shall have one vote for each share of which he is the holder.
67. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion for the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.
68. A Member in respect of whose estate a manager has been appointed under Section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his manager, and any such manager may, on a poll, vote by proxy.
69. No Member shall be entitled to vote at a general meeting or at a separate meeting of the holders of any class of shares in the Company unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
70. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote disallowed at such meeting shall be valid for all purposes. Any objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.

meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their number to be chairman of the meeting and, if there is only one director present and willing to all, he shall be chairman.

56. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their number willing to act and he shall be chairman.

57. A directors shall, notwithstanding that he is not a Member, be entitled to attend and speak at a general meeting and at any separate meeting of the holders of any class of shares in the Company.

58. The chairman may, with the consent of any meeting at which a quorum is present and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days and the general nature of the business to be transacted at the adjourned meeting shall be given.

59. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:

(a) by the chairman or;

(b) by at least two Members having the right to vote at the meeting; or

(c) by a member or members representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or

(d) by a Member or Members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right;

and a demand by a person as proxy for a Member shall be the same as a demand by the Member.

60. Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, or not carried by a particular majority and an entry to that effect in the minutes of the meeting shall be evidence of that fact.

61. The demand for a poll may, before the poll is taken, be withdrawn.

NOTICE OF GENERAL MEETINGS

50. Every general meeting shall be called by twenty-one clear days notice in writing. The notice shall specify the time and place of the meeting and the general nature of the business and, in the case of an annual general meeting, shall specify the meeting as such;

Provided that a meeting of the Company may be called by shorter notice if it is so agreed:

- (a) in the case of an annual general meeting, by all the Members entitled to attend and vote thereat; and
- (b) in the case of any other meeting by a majority in number of the Members having a right to attend and vote at the meeting, being a majority together holding not less than 95 per cent in nominal value of the shares giving that right.

51. Subject to the provisions of the Articles and to any restrictions imposed on any shares, the notice shall be given to all the Members, to all persons entitled to a share in consequence of the death or bankruptcy of a Member and to the directors and Auditors. The accidental omissions to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.

PROCEEDINGS AT GENERAL MEETINGS

52. All business shall be deemed special that is transacted at an extra ordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, and the reports of the directors and Auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the Auditors.
53. No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the proceeds to business; two persons entitled to vote on the business to be transacted, each being a Member or a proxy for a Member or a duly authorized represented of a corporation, shall be quorum.
54. If within half an hour from the time appointed for the meeting a quorum is not present, or if during the course of a meeting a quorum ceases to be present, the meeting shall stand adjourned to the same day in the next week, at the same time and place or to such other day such other time and place as the directors may determine.
55. The chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general

ALTERATION OF CAPITAL

44. The Company may by ordinary resolution:-
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) subject to the provisions of Section 65(1)(d) of the Act, sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum of association;
 - (c) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
 - (d) Issue any preference, cumulative or redeemable shares.
45. Whenever as result of a consolidation of shares any Members would become entitled for fractions of a share, the directors may, on behalf of those Members, sell the shares representing the fractions for the best price reasonably obtainable to any person (including subject to the provisions of the Act, the Company) and distribute the net proceeds of sale in due proportion among those Members, and the directors may authorize some person to execute an instrument of transfer of the shares to or in accordance with the directions of the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the sale.
46. Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any way.

GENERAL MEETINGS

47. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notices calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next.
48. All general meetings other than annual general meetings shall be called extraordinary general meetings.
49. The Directors may, whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be convened by such requisitionists, as provided by Section 134 of the Act. If at any time there are not within the Territory sufficient directors to call the meeting, any director or any two Members of the Company may call the meeting in the same manner as nearly as possible as that in which meetings may be convened by the directors.

for the purposes of its disposal a forfeited share is to be transferred to any person, the directors may authorize some person to execute an instrument of transfer of the share in question.

39. A person any of whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares and shall surrender to the Company of cancellation the certificate for the shares forfeited, but shall remain liable to the Company for all moneys which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment fully of all such moneys in respect of the shares, but the directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture of for any consideration received on their disposal.
40. A statutory declaration by a director or the secretary that a share have been forfeited on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share and the declaration shall (subject to the execution of an instrument of transfer if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall not be bound to see to the application of the consideration, if any, nor shall his title to the share be affected by any irregularity or invalidity of the proceedings in reference to the forfeiture or disposal of the share.

INCREASE OF CAPITAL

41. The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
42. The Company, by resolution increasing the capital, may direct that the new shares or any of them be offered in the instance either at par or at a premium or (subject to the provisions of the Act) at a discount to all holders for the time being of shares, of any class or classes, in proportion to the number of such shares held by them respectively or may make any other provisions as to the issue of the new shares. In the absence of any such direction or so far as the same shall not provide, the new shares shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons and on such terms as it shall think fit.
43. The new shares shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture, expropriation, and otherwise as the shares in the original share capital.

- (c) At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the Member or Members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be pro rata according to the number of shares already held by them respectively PROVIDED THAT no Member shall be obliged to take more than the said maximum number of shares so notified by him as aforesaid.
- (d) Upon such allocation being made the vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he makes default in so doing the Chairman for the time being of the Directors of the Company or failing him one of the Directors duly nominated by resolution of the Board for that purpose shall forthwith be deemed to be the duly appointed attorney of the vendor with full power to execute complete and deliver in the name and on behalf of the vendor a transfer of the shares to the purchasing Member and the Board may receive and give a good discharge for the purchase-money on behalf on the vendor and enter the name of the purchaser in the register of Members as holder by transfer of the shares purchased by him.

35. In the event of the whole or any lot of shares offered through the Board as provided by Article 34 hereof not being sold in the manner by that Article provided, the vendor may at any time within six calendar months after the expiration of the said period of thirty days after the date of the notice given by the Board to the Members, transfer the shares not so sold to any person (subject to Article 28) at any price.

FORFEITURE OF SHARES

36. If a call remains unpaid after it has become due and payable, the directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid, together with any interest which may have accrued. The notice shall name the place where payment is to be made and shall state that if the notice is into complied with, the shares in respect of which the call was made will be liable to be forfeited.
37. If the notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeiture by a resolution of the directors to that effect and the forfeiture shall include all dividends or other moneys payable in respect of the forfeited shares and not paid before the forfeiture.
38. Subject to the provisions of this Act, a forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the directors determine either to the person who was before the forfeiture the holder or to any other person, and at any time before a sale, re-allotment or other disposition the forfeiture may be cancelled on such terms as the directors think fit. Where

30. The registration of transfers of shares or any transfers of any class of shares may be suspended at such times and of such periods (not exceeding thirty days in any year) as the directors may determine.

TRANSMISSION OF SHARES

31. In case of the death of a Member, the survivor or survivors where the deceased was a joint holder, and the personal representatives of the deceased where he was a sole holder or the only survivor of joint holders, shall be the only persons recognized by the Company as having any title to his interest in the shares; but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share which had been jointly held by him.
32. A person becoming entitled to a share in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may properly be required by the directors and subject as hereinafter provided, either elect by notice to the Company to be registered as holder of the share, or elect to have some person nominated by him registered as the transferee in which case he shall execute the appropriate instrument of transfer. All the Articles relating to the right to transfer of shares shall apply to any such notice or transfer as if it were an instrument of transfer executed by the Member and the death or bankruptcy of the Member had not occurred.
33. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall have the rights to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as the holder of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.
34. Save as is hereinafter provided, no shares in the Company shall be transferred otherwise than to a person who is already a Member of the Company until the rights of pre-emption hereby conferred shall have been exhausted that is to say:-
- (a) Every Member or other person referred to in the Article 33 hereof who intends to transfer shares (hereinafter called the "vendor") shall give notice in writing to the Board of his intention to do so. Such notice shall constitute the Board his agent for the sale of the said shares in one of more lots at the discretion of the Board to Members of the Company at the price to be agreed upon by the vendor and the Board or in default of agreement, at a price which the auditor of the Company for the time being shall certify by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing vendor and a willing purchaser.
 - (b) Upon the price being fixed as aforesaid the Board shall forthwith give notice to all the Members of the Company of the number and price of the shares to be sold and invite each one of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any, and if so, what maximum number, of the said shares.

percent per annum as the directors may determine, but the directors may waive payment of such interest wholly or in part.

24. An amount payable in respect of a share on allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be call, and if it is not paid the provisions of the Articles shall apply as if that amount had become due and payable by virtue of a call.
25. Subject to the terms of allotment, the directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.
26. The directors may, if they think fit, receive from any Member willing to advance the same, all or any part of the moneys un-called and unpaid upon any shares held by him, and upon all or any the moneys so advanced may (until the same would, but for such advance become (payable) pay interest at such rate not exceeding (unless the Company in general meeting shall otherwise direct) ten per cent per annum, as may be agreed upon between the directors and the Members paying such sum in advance.

TRANSFER OF SHARES

27. The instrument of transfer of any share shall be in any usual form or any other form which the directors may approve and shall be executed by or on behalf of the transferor and, unless the share is fully paid up, by or on behalf of the transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of Members in respect thereof.
28. Save as hereinafter provided, the directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share to a person (not being already a Member of the Company) whom they do not approve, whether or not it is a fully paid share. The directors could also in their absolute discretion refuse to register any transfer of share on which the Company has a lien. They may also refuse to register a transfer unless:
 - (a) it is lodged at the office or such other place as the director may appoint, and is accompanied by the certificate of shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer; and
 - (b) such fee, as the Directors may from time to time require is paid to the Company in respect thereof.
29. If the directors refuse to register a transfer they shall within sixty days after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

17. The Company may sell, in such manner as the directors determine any shares on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within fourteen clear days after a notice in writing has been given to the holder of the share, or the person entitled thereto by reason of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the shares may be sold.
18. To give effect to any such sale the directors may authorize some person to transfer the shares sold to, or in accordance with the directions of, the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
19. The net proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue, if any, shall (upon surrender to the Company for cancellation of the certificate for the shares sold and subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares, at the date of the sale.

CALLS ON SHARES

20. Subject to the terms of allotment, the directors may make calls upon the Members in respect of any moneys unpaid on their shares (whether in respect of nominal value or premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call, and each Member shall (subject to receiving at least fourteen clear days notice the specifying when and where payment is to be made) pay to the Company as required by the notice the amount called on his shares. A call may be required to be paid by instalments. A call may, before receipt by the Company of any sum due there under, be revoked in whole or part and payment of a call may be postponed in whole or part. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.
21. A call shall be deemed to have been made at the time when the resolution of the directors authorizing the call was passed.
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
23. If a call remains unpaid after it has become due and payable, the person from whom the sum is due shall pay interest on the amount unpaid from the day it became due and payable to the time of actual payment at the rate fixed by the term of allotment of the share or, if no rate is fixed, at a rate not exceeding ten

11. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in share or any interest in any fractional part of a share or (except as otherwise provided by the Articles or by law) any other rights or interests in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

12. Every Member, upon becoming the holder of any shares, shall be entitled without payment to receive within two months after allotment or lodgements of transfer (or within such other period as the conditions of issue shall provide) one certificate for all the shares of each class held by him (and, upon transferring a part of his holding of shares of any class, to a certificate for the balance of such holding) or several certificates each for one or more of his shares upon payment for every certificate after the first such reasonable sum as the directors may determine. Every certificate shall be sealed with the seal and shall specify the number, class and distinguishing number, if any, of the shares to which it relates and the amount or respective amounts paid thereon. In respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one joint holder shall be sufficient delivery to all joint holders.
13. If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and payment of expenses reasonably incurred by the Company in investigating evidence as the directors may determine but otherwise free of charge, and (in the case of defacement or wearing out) on delivery up of the old certificate.

LIEN

14. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien on all shares registered in the name of any person for all moneys presently payable by him or his estate to the Company; but the directors may at any time declare any share to be wholly or in part exempt from the provisions of these Articles. The Company's lien, if any on a share extend to any amounts payable in respect of it.
15. The lien hereby conferred shall attach to all shares in the Company registered in the name of any person indebted or under liability to the Company, whether he be the sole registered holder or shall be one of several joint holders.
16. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

SHARE CAPITAL AND MODIFICATION OF RIGHTS

4. The share capital of the Company is Tanzania Shillings Four Billion (Shs4,000,000,000/=) divided into Four Million (4,000,000) shares of Tanzania Shillings One Thousand (Shs1,000/=) each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions, or restrictions as to dividend, capital, voting or otherwise.
5. Subject to the provisions of the Act, and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may by ordinary resolution determine.
6. Subject to the provisions of Section 61 of the Act, any shares may, with the sanction of special resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company before the issue of the shares may by special resolution determine.
7. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of these Articles relating to general meetings shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-half of the issued shares of the class and that any holder of shares of the class present in person or proxy may demand a poll.
8. The rights conferred upon the holders of the shares of any class shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
9. Subject to provisions of these Articles, the shares shall be at the disposal of the Directors, and they may (subject to the rights of pre-emption) allot, grant option over or otherwise dispose of them to such persons, on such terms and conditions, and at such times as they think fit, but so that no share shall be issued at a discount, except in accordance with the provisions of the Act.
10. The Company may exercise the powers of paying commissions conferred by Section 56 of the Act. Subjects to the provisions of the Act, such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

The Register:	The Register of Members of the Company.
The Seal:	The Common Seal of the Company.
The Secretary:	The secretary of the Company or any person appointed to perform the duties of the secretary of the Company.
Tanzania:	The United Republic of Tanzania.

Words importing the singular number only shall include the plural number and vice versa.

Words importing the masculine gender only shall include the feminine gender.

Words importing person shall include corporation.

Expressions referred to as being in writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography, and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these Regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these Regulations become binding on the Company.

2. Regulations contained in Table A Part I as modified by Part II of the Schedule of the Companies Act, 2002 shall not apply to the Company.

PRIVATE COMPANY

3. The Company is a private Company and accordingly:
 - (a) the right to transfer shares is restricted in the manner hereinafter prescribed;
 - (b) The number of Members of the Company (exclusive of persons who are in the employment of the Company and of persons who, having been formerly in the employment of the Company, were while in such employment, and have continued after the determination of such employment to be the Members of the Company) is limited to fifty. PROVIDED THAT where two or more persons hold one or more shares in the Company jointly, they shall, for the purpose of this Article, be treated as a single Member.
 - (c) any invitation to the public to subscribe for any shares or debentures is prohibited;
 - (d) the Company shall not have power to issue share warrants to bearer.

Secret
26241189 24/5/06
[Signature]


THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CHAI BORA LIMITED
PRELIMINARY

Secret
26241189 24/5/06
[Signature]

1. In these Articles, if not inconsistent with the subject or context, the words standing in the first column of the following Table shall bear the meaning set opposite to them respectively in the second column thereof.

Words	Meanings
The Act:	The Companies Act, 2002.
The Articles:	The Articles of Association as now framed or as from time to time altered by Special Resolution.
The Auditors:	The duly appointed auditors of the Company from time to time.
The Board:	The Board of Directors of the Company or the Directors, being a quorum, present at a duly convened meeting of Directors.
Clear days:	In relation to the period of a notice means that period excluding the day when the notice is given or on which it is to take effect.
The Company:	The above named Company.
The Dividend:	Any distribution (whether in cash or property, and whether made before or during a winding up) by the Company to any Member with respect to the Member's equity interest in the Company;
The holder:	In relation to shares means the Member whose name is entered in the register of Members as the holder of the shares.
Member:	registered shareholder in the Company.
The Office:	The Registered Office for the time being 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.

Name, Postal address And Occupation of Subscriber's	Number of Shares taken by each subscriber	Signature of Subscribers
Tanzania Tea Packers Limited P O Box 1344 Dar es Salaam	1	(Joseph James Mungai- Director)
Limited Liability Company		
George Carmichael Theobald P O Box 1344 Dar es Salaam	1	
Director		

Dated the 16th day of May 2006

WITNESS to the above signatures:

Name:

Address:

Description:

- (28) To draw, make, accept, endorse, discount, execute, and issue promissory notes, bills or exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
- (29) To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit the Company.
- (30) To pay out of the funds of the Company all expenses which the Company may lawfully pay with respect to the formation and registration of the Company or the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting or procuring the underwriting of shares, debentures or to other securities of the Company.
- (31) To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.
- (32) To do all or any of the above things in any part of the world and as principals, trustees, agents, contractors, or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others.
- (33) To do all such other things as are incidental or conducive to the attainment of the above 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 unincorporate, and whether domiciled in the United Republic of Tanzania or elsewhere, and the objects specified in each of the paragraphs of this clause shall be regarded as independent objects, and accordingly shall in no wise be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph or the name of the Company.

D. The liability of the Members is limited.

The Share Capital of the Company is Tanzania Shillings Four Billion (Shs4,000,000,000/=) divided into Four Million (4,000,000) shares of Tanzania Shillings One Thousand (Shs1,000/=) 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.

whether or not having objects altogether or in part similar to those of the Company.

- (19) To enter into any arrangements with any governments, or authorities, supreme, municipal, local or otherwise or any person or company that may seem conducive to the objects of the Company or any of them and to obtain from any such government, authority, person, or company any rights, privileges, charters, contracts, licenses and concessions which the Company may deem desirable to obtain, and to carry out, exercise and comply therewith.
- (20) To adopt such means of making known the business, services, products and activities of the Company as may seem expedient.
- (21) To lend money and/or guarantee the performance of the contracts or obligations of any company, firm or person, and the payment and repayment of the capital and principal, of and dividends, interest or premium on, any stock, shares and security of any company, whether having objects similar to those of the company or not, and to give all kinds of indemnities, and to make or receive subvention payment.
- (22) To borrow or raise or secure the payment of money by bank overdrafts, by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the company's assets, both present and future, including its uncalled share capital, and collateral or further to secure any securities of the company by a trust deed or other assurance.
- (23) To issue and deposit any securities which the Company has power to issue by way of mortgage or secure any such sum less than the nominal amount of such securities, and also by way of security for the performance of any contract or obligation of the Company or of its subsidiaries or of any other company or person having dealings with the Company, or in whose business or undertakings the Company is interested.
- (24) To receive money on deposit with or without interest thereon.
- (25) To amalgamate with any other Company having objects altogether or in part similar to those of this Company.
- (26) To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
- (27) To pay for any rights or property acquired by the Company, to remunerate any person or company, whether by cash payment or by allotment of shares, debentures or other securities of the Company credited as paid up in full or in part or otherwise.

- (11) To purchase, take on lease or in exchange, hire or otherwise acquire, any moveable or immovable property or any interest therein and any rights or privileges which the Company may deem necessary or convenient for the purpose of its businesses or which may enhance the value of any property of the Company and in particular, land, buildings, easements, vehicles and stock in trade.
- (12) To pay for any assets acquired by the company by shares, debentures, bonds, cash or otherwise.
- (13) To acquire and undertake the whole or any part of the business, property, and liabilities and transactions of any person, firm or company carrying on any business which the Company is authorised to carry on, or possessed of property suitable for the purposes of the Company.
- (14) To take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- (15) To apply for, purchase or otherwise acquire, and protect and renew in any part of the world any patents, patent rights, brevets d'invention, copyrights, trade marks, designs, formulae, licenses, concessions and the like conferring any exclusive or non-exclusive or limited rights to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may seem likely, directly or indirectly, to benefit the Company and to use, exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights or information so acquired and to expend money in experimenting upon, testing or improving any such patents, inventions or rights.
- (16) To negotiate loans of every description.
- (17) To enter into any partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession otherwise with any person or company carrying on, or about to carry on, or engage in any trade, business or transaction which this Company is authorized to carry on or engage in, or any trade, business or transaction capable of being conducted so as directly or indirectly to benefit this company and to lend money to, guarantee the contracts of, or otherwise assist, any such person or company and to take or otherwise acquire share and securities of any such company and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- (18) To sell, exchange, lease, mortgage, charge or otherwise dispose of the property, assets or undertakings of the Company or any part thereof for such consideration as the Company may deem fit and, in particular for shares, stocks, debentures or other securities of any other company

any estate or interest whatever, and any rights, privileges, or easements over or in respect of any freehold, leasehold or other property whatsoever, whether real or personal, which may be necessary for or may be conveniently used with, or may enhance the value of any other property of the Company and to develop any such property acquired by the Company or in which the Company is interested by laying out and preparing the same for building and developing and to erect any buildings thereon and in particular but without prejudice to the foregoing generality, to erect blocks of houses, flats, shops and offices thereon, with all approaches, roads, outhouses, stores, yards, garages, or other things appurtenant, necessary or convenient thereto, and to construct, maintain, extend, alter or repair any such buildings, works and conveniences and generally to develop use and deal with any such property as aforesaid in such manner as to the Company may seem expedient and to carry on the business as property owners, landlords and real estate developers and to undertake and carry out all such operations and transactions as an individual proprietor of property may lawfully undertake and carry out.

- (6) To employ experts to investigate and examine into condition, prospects, value, character and circumstances of any assets, property or rights or any proposition submitted to the Company.
- (7) To carry on all or any of the businesses of general merchants and traders, manufacturer's agents and representatives, financial agents and advisers, consultants, managers and administrators, hire purchase and general financiers, importers and exporters, manufactures, retailers, wholesalers, distributors, and shippers of, and dealers in all kinds of products, goods, electrical, hardware, building materials, and requisites, merchandise, commodities and produce of every description.
- (8) To carry on the business of commission agents or brokers, clearing and forwarding agents, transport agents, airline, road and shipping agents, financial and insurance agents and to act as trustees for any persons, firm or company and to undertake and perform subcontracts and also to act in any of the business of the company through or by means of agents, brokers, sub-contracts or otherwise.
- (9) To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated directly or indirectly profitable any of the Company's property or rights for the time being.
- (10) To develop and turn to account any immoveable property acquired by the Company or in which the Company is interested, in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, repairing, furnishing fitting up and improving buildings and offices and by planting, paving, draining, farming, cultivating, letting on building lease or agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.

THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

CHAI BORA LIMITED

- 150000/-
26/04/18
200000/-
- Assoc
26/04/18
200000/-
- A. The name of the Company is "CHAI BORA LIMITED"
- B. The Registered Office of the Company shall be situate in Tanzania.
- C. The objects for which the Company is established are:-
- (1) To carry on the business of manufacturers of and dealers in all kinds of tea, coffee, cocoa, herbal drinks and other food beverages and preparations.
 - (2) To plant, grow, import, export, manufacture, blend, and in any way deal in tea, coffee, and cocoa, herbal drinks, and other agro products; to carry on business as planters and merchants, both wholesale and retail, sugar merchants, sweet meat merchants, refreshment room proprietors, refreshment contractors, farmers, dairymen, fruiterers, grocers, timber merchants, and as printers, brokers, importers and dealers in foreign produce and wares of all kinds, commission agents, ship owners, charterers of vessels, dock owners, warehousemen, clearing and forwarding agents, haulage and transport contractors, and to deal in articles of all kinds commonly dealt in by persons carrying on any of the business aforesaid; to participate in, undertake, perform and carry on all kinds of commercial, industrial, trading and financial operations and enterprises, to carry on all or any of the business of marketing and business consultants relating to privatisation and parastatal reforms, establishing of new projects, and consultants in financing of agricultural projects and in other sectors generally.
 - (3) To manufacture, prepare for market, blend, pack, refine and otherwise manipulate and deal in and turn to account all materials and commodities grown or produced by the Company and all refuse and by-products derived there from.
 - (4) To establish or acquire and carry on offices, trading stations, processing factories, stores and depots in the United Republic of Tanzania and any other part of the world, to purchase, lease or otherwise acquire, carry on, develop and improve any business of real or personal property in the United Republic of Tanzania or any part of the world, or any undivided or other interest therein, respectively.
 - (5) To purchase, take on lease, or in exchange, or on hire, or by any other means acquire and hold any freehold, leasehold or other property for

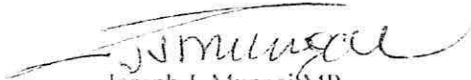
CHAI BORA LIMITED

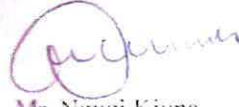
EXTRACT OF MINUTES OF DIRECTORS MEETING OF 3RD DECEMBER 2008

MINUTE 07/02/08 - REGISTRATION WITH TANZANIA INVESTMENT CENTRE

The Directors approved and RESOLVED to register Chai Bora Limited as an investment project with Tanzania Investment Centre and authorised management to provide all necessary documents to facilitate this exercise.

Certified a true extract of the minutes of the Board meeting of 3rd December 2008 held at Tea Association of Tanzania, Board Room, 5th Floor Twiga House, Dar es Salaam.


Joseph J. Mungai MP
Chairman


Mr. Ngugi Kiuna
Director

3rd December 2008

12/95

TANZANIA



Certificate of Incorporation

Section 15

No 56590

I HEREBY CERTIFY THAT

CHAI BORA 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 **26TH** day of **MAY**

TWO THOUSAND AND SIX

CERTIFIED A TRUE COPY

OF THE ORIGINAL

M. Anucha

COMPANY SECRETARY

[Signature]

Asst. Registrar of Companies

1/51

Business Occupation ACCOUNTANT

Other Directorships
(directors only)

N/A

I consent to act as Director of the above company

Signed *John Anache* Date 22/01/09

A director/ secretary etc. must sign the form below

Signed *Musa* Date 22/01/09

(Director/ Secretary/ Administrator/ Administrative Receiver/ Liquidator / Receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- For a married woman, by the name by which she was known before marriage need not be given.
- Names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Given the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years



Form No. 210a

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary

(Use form 210b) or change of particulars (Use form 210c)

Pursuant to section 210 of the Companies Act 2002

Company Number	56590
Name of Company (in full)	CHAI BORA LIMITED
Date of appointment	3 RD DECEMBER 2008

Appointment as director

Appointment as Secretary

First Name(s)	MICHAEL
Surname	WACHIRA
Previous Name(s)	
Address (Usual Residential)	P.O.BOX 1344 DAR ES SALAAM
Nationality	KENYAN
Date of Birth	22 ND FEBRUARY 1964

(continued on next page)

For Official Use only

Business Occupation ACCOUNTANT

Other Directorships (directors only)	N/A

I consent to act as Director of the above company

Signed *Antoine Cuache* Date 22/01/09

A director/ secretary etc. must sign the form below

Signed *Musa* Date 22/01/09

(Director/ Secretary/ Administrator/ Administrative Receiver/ Liquidator / Receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- For a married woman, by the name by which she was known before marriage need not be given.
- Names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Given the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years



Form No. 210a

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Not for registration (Use Form 210b) or change of particulars (Use form 210c))
Pursuant to section 210 of the Companies Act 2002

Company Number	56590
Name of Company (in full)	CHAI BORA LIMITED
Date of appointment	3 RD DECEMBER 2008

Appointment as director

Appointment as Secretary

First Name(s)	MICHAEL
Surname	WACHIRA
Previous Name(s)	
Address (Usual Residential)	P.O.BOX 1344 DAR ES SALAAM
Nationality	KENYAN
Date of Birth	22 ND FEBRUARY 1964

(continued on next page)

For Official Use only

Business Occupation **Director**

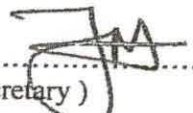
Other Directorships
(directors only)

I consent to act as Director of the above named company

Signed..... 

Date..... **31ST JULY 2008**

A director / secretary etc. must sign the form below

Signed..... 
(A director / secretary)

Date..... **31-07-2008**

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Not for resignation (Use Form 210b) or change of particulars (Use Form 210c))
Pursuant to Section 210 of the Companies Act, 2002

Company Number **56590**

Company Name **Chai Bora Limited**
(in full)

Date of appointment **31 July 2008**

Appointment as director

Appointment as secretary

Name: (First Name(s)) **James Mungai**

(Surname) **Gachui**

Previous name(s): **N/A**

Address: **48 Bombax Close, Runda Estate**
(usual residential)

P.O. Box 42558 – 00100, Nairobi

Kenya

Nationality: **Kenyan**

Date of Birth **25 March 1948**

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Business Occupation

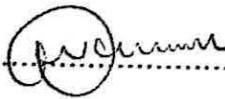
Director

Form 210a

Other Directorships
(directors only)

I consent to act as Director of the above named company

Signed.....

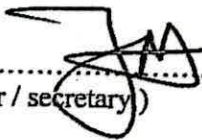


Date.....

31-07-2008

A director / ~~secretary~~ etc. must sign the form below

Signed.....

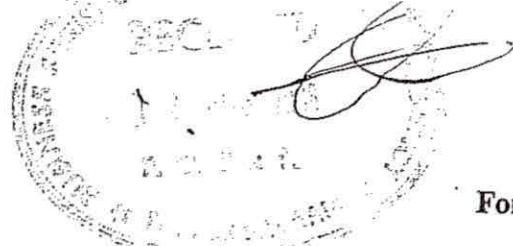


(A director / secretary)

Date.....

31-07-2008

FEE PAID SHS. 15000
RECEIPT NO. 38084840
DATE 12/08/08



12/08/2008

Form. 210a

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Not for resignation (Use Form 210b) or change of particulars (Use Form 210c))
Pursuant to Section 210 of the Companies Act, 2002

Company Number

Company Name (in full)

Date of appointment

Appointment as director

Appointment as secretary

Name: (First Name(s))

(Surname)

Previous name(s):

Address: (usual residential)

Nationality:

Date of Birth

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Business Occupation

TEA TASTER / BUYER

Other Directorships
(directors only)

I consent to act as [director] ~~[secretary]~~ of the above company

Signed 

Date 3rd DECEMBER 2008

A director/ secretary etc. must sign the form below

Signed 

Date 27/01/09

(Director/ Secretary/ Administrator/ Administrative Receiver/ Liquidator / Receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- For a married woman, by the name by which she was known before marriage need not be given.
- Names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Given the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years

THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY



Appointment of a Director or Secretary
 (Not for registration (Use Form 210b) or change of particulars (Use form 210c))
 Pursuant to section 210 of the Companies Act 2002

Company Number 56590

Name of Company (in full) CHAI BORA LIMITED

Date of appointment 3RD DECEMBER 2008

Appointment as director

Appointment as Secretary

First Name(s)	JACOB KAMAU
Surname	KAHILU
Previous Name(s)	—
Address (Usual Residential)	NYALI ESTATE Plot No. MN/1/3885 MOMBASA
Nationality	KENYAN
Date of Birth	2nd DECEMBER 1953

(continued on next page)

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Business Occupation	HOTELIER
---------------------	----------

Other Directorships (directors only)	SALES & MARKETING DIRECTOR SERENA HOTELS EAST AFRICA - (including Tanzania) From 1996 to 2008

I consent to act as [director] [secretary] of the above company

Signed [Signature] Date 23-01-2009

A director/ secretary etc. must sign the form below

Signed [Signature] Date 27-01-2009

(Director/ Secretary/ Administrator/ Administrative Receiver/ Liquidator / Receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- For a married woman, by the name by which she was known before marriage need not be given.
- Names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Given the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years



Form No. 210a

THE UNITED REPUBLIC OF TANZANIA
BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Not for registration (Use Form 210b) or change of particulars (Use form 210c))
Pursuant to section 210 of the Companies Act 2002

Company Number	56590
Name of Company (in full)	CHAI BORA LIMITED
Date of appointment	3 RD DECEMBER 2008

Appointment as director

Appointment as Secretary

First Name(s)	PETER GACHONI
Surname	MBOGUA
Previous Name(s)	-
Address (Usual Residential)	P.O BOX 74112 00200 NAIROBI, KENYA New Muthaiga Thipin Road Plot 17/167 NAIROBI
Nationality	KENYAN
Date of Birth	25 NOV. 1947

(continued on next page)

For Official Use only

Business Occupation

MANAGING DIRECTOR

Other Directorships
(directors only)

I consent to act as [director] [secretary] of the above company

Signed *[Signature]* Date 22/01/09

A director/ secretary etc. must sign the form below

Signed *[Signature]* Date 22/01/09

(Director/ Secretary/ Administrator/ Administrative Receiver/ Liquidator / Receiver)

Notes:

Show full First Names, not initials. If the director or secretary is a corporation, show the name on the surname line and registered or principal office address on the usual residential address line.

Give previous First Name(s) or surname(s) except that:

- For a married woman, by the name by which she was known before marriage need not be given.
- Names not used since the age of 18 or for at least 20 years need not be given.

Other directorships

Given the name of every company incorporated in Tanzania of which the person concerned is a director or has been a director at any time in the past five years



THE UNITED REPUBLIC OF TANZANIA

BUSINESS REGISTRATIONS AND LICENSING AGENCY

Appointment of a Director or Secretary
(Not for registration (Use Form 210b) or change of particulars (Use form 210c))
Pursuant to section 210 of the Companies Act 2002

Company Number

Name of Company (in full)

Date of appointment

Appointment as director

Appointment as Secretary

First Name(s)	DAVID CHOMBA
Surname	GACHOKI
Previous Name(s)	
Address (Usual Residential)	P.O. BOX 1344 DAR ES SALAAM
Nationality	KENYAN
Date of Birth	1971

(continued on next page)

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OUR REF: MT/SR/ 0420-001

YOUR REF:

DATE: 20th March, 2009

Chai Bora Limited
P. O. Box 228
Mafinga
Tanga

Dear Sirs,

Chai Bora Limited (the 'Compan")

We refer to the above matter.

The filing of various forms in respect of appointment of directors of the Company has been completed at the Companies Registry. In this regard, please find enclosed the following documents;

1. Filed Form No. 210a appointing Jacob Kamau Kahiu as a director of the Company;
2. Filed Form No. 210a appointing Peter MbugUa as a director of the Company;
3. Filed Form No. 210a appointing David Gachoki as a director of the Company;
4. Filed Form No. 210a appointing Micheael Wachira as a director of the Company; and
5. Filed Form No. 210a appointing Micheael Wachira as a secretary of the Company.

Kindly acknowledge receipt of the enclosed documents by signing and returning a duplicate of this letter.

Yours faithfully,



Mustafa Tharoo
For: Ringo & Associates

Encl.

Executive Director
Tanzania Investment Centre
Shaaban Robert Street
Dar es Salaam

24th March 2009.

Dear Sirs

DIRECTORSHIP OF CHAI BORA LIMITED

We confirm the following as the current members of the Board of Directors:

Joseph J. Mungai MP - Chairman
David C Gachoki - Managing Director
James Gachui
Ngugi Kiuna
Jacob K. Kahiu
Peter Mbogua
Peter Rowland
Michael Wachira

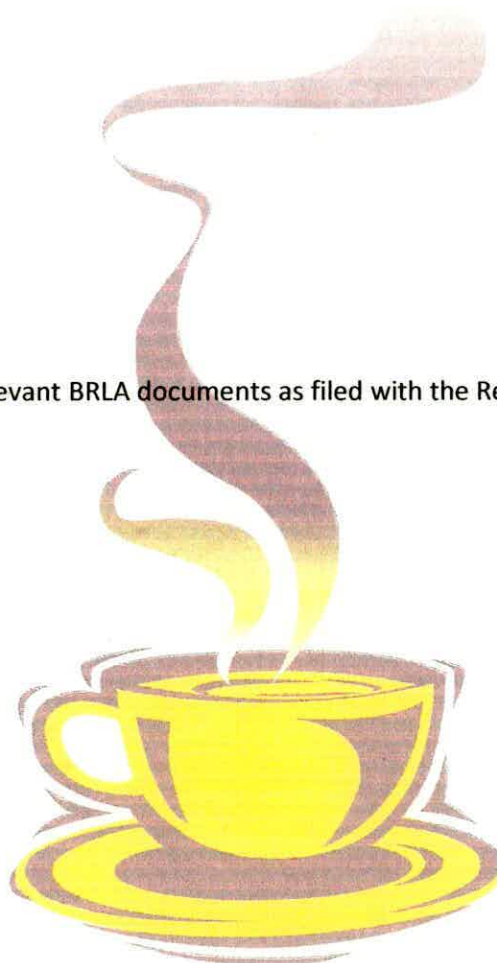
We enclose copies of the relevant BRLA documents as filed with the Registrar for the recent appointments.

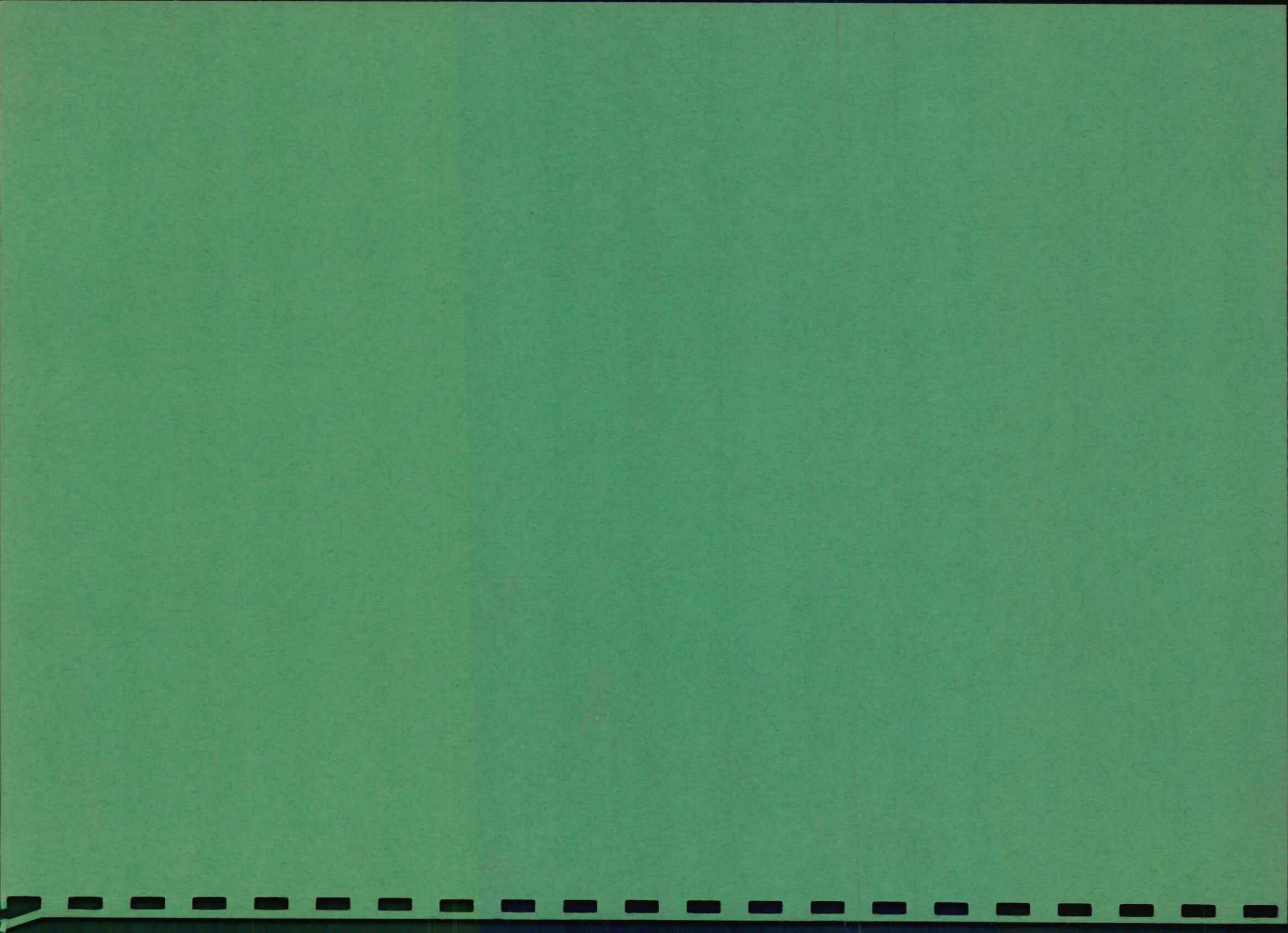
Yours faithfully.

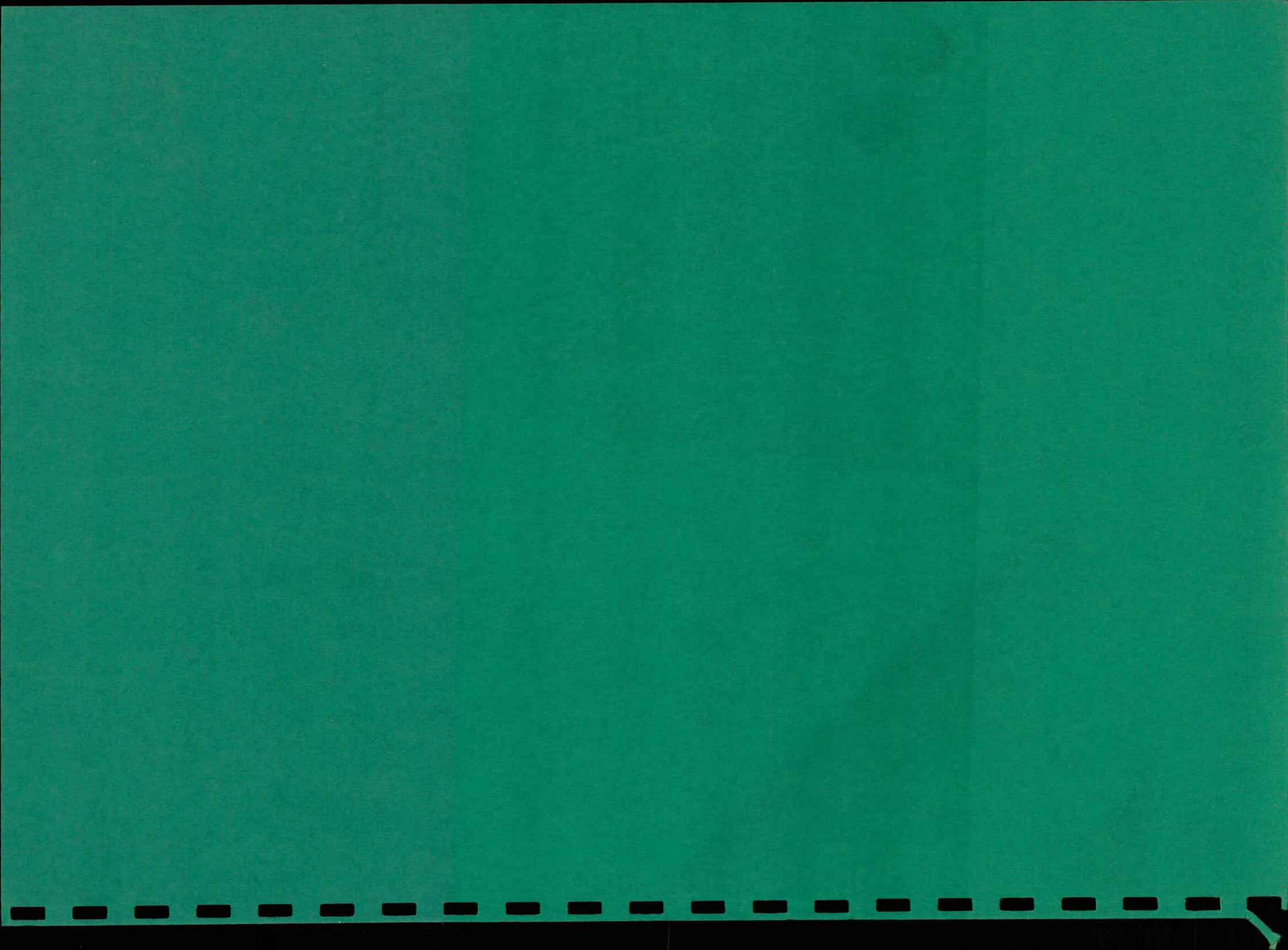


Michael Wachira

Company Secretary







The government will coordinate production of tea seedlings and plans to make available 10million high quality seedlings this season.

- c) The project will contribute substantially to government revenue by way of duties, levies, taxes and licenses.
- d) The project will generate additional employment directly in the production, marketing and distribution departments.

Conclusion

Entry of the Trans- Century Ltd group into the tea industry in Tanzania is a good pointer for the industry in view of the extent to which its group companies reach out both geographically and in terms of business integrations. CHAI BORA LTD, enjoys 54% market share and is likely to increase its share as it explores further markets in Sudan and Egypt.(Egypt alone consumes four times the quantity of tea consumed in the SADAC countries market)

It is therefore, obvious that this project is important for the economy of this country and that as such the company should be encouraged to proceed with the modernization of the plant and expansion of the fleet of tea distribution motor vehicles.

1.22 Financial Appraisal

On the basis of the various assumptions contained in this plan the net profit after taxes to accrue from this expansion project is expected to rise from T.shs 902,553,000 in the first year to T.shs. 2,494,639,000 in the fifth year. By the end of the fifth year the company will have accumulated reserves of T.shs 12,081,929,000 as no dividend are paid out.

The company's internal rate of return (IRR) before taxes is 88% which is a firm indication of the financial viability of this project.

1.23 Economic Appraisal

This expansion project is economically desirable on a number of aspects, of which the following are the main ones:-

- a) **Foreign Exchange** – this expansion project is in response to an increase in the market as a result of the advent of the new shareholders who have brought with them new markets in the COMESA Area encompassing the huge Sudan market which is as big as the total SADAC tea market. This will result in additional export market which means additional foreign exchange.
- b) **Employment Generation** – the increase in demand of raw tea (which is The raw material) in response to the enlarged market for packed teas will create demand for raw tea production which will create additional income and employment for tea farmers.

The government is pushing expansion of tea production and a number of incentives have been provided for the farmers. The feeder roads to the tea farms will be improved to ease tea collection. The government plans to increase tea production from 34,165 metric tons produced in 2007/2008 season to 37,000 metric tons in the 2008/2009 season.

1.21 Projected Balance Sheet

BALANCE SHEET	Projected	Projected	Projected	Projected	Projected
	2009	2010	2011	2012	2013
Non-Current Assets	-				
Plant, property & equipment	1,331,676	1,851,511	3,615,511	4,115,511	4,615,511
Deferred tax Asset	96,604	96,604	96,604	96,604	96,604
Trade Marks	750	750	750	750	750
Total Non-Current asset	1,429,030	1,948,865	3,712,865	4,212,865	4,712,865
Current asset	3,772,108	4,494,660	5,801,510	7,092,895	8,614,703
TOTAL ASSETS	5,201,138	6,443,525	9,514,375	11,305,760	13,327,568
current liabilities	2,158,225	1,311,902	1,285,155	1,349,413	1,416,883
Bank Loan	1,071,203	943,633	707,427	471,221	235,015
Shareholders Loans	399,043	657,900	1,881,000	1,568,000	1,255,000
Employees gratuity	97,079	134,405	169,606	178,086	186,991
Total non-current liabilities	1,567,325	1,735,938	2,758,033	2,217,307	1,677,006
Total Liabilities	3,725,550	3,047,840	4,043,188	3,566,720	3,093,889
Equity	-				
Profit/Loss year to date	902,552	1,918,098	2,077,501	2,267,853	2,494,639
Retained Earnings	573,036	1,475,588	3,393,686	5,471,187	7,739,040
Total equity	1,475,588	3,393,686	5,471,187	7,739,040	10,233,679
Total Equity And Liabilities	5,201,138	6,443,526	9,514,375	11,305,760	13,327,568

1.20 Projected Profit and Loss

FINANCIAL RESULTS & PROJECTIONS Values in Tshs'000 (unless stated)	Budget	Plan	Plan	Plan	Plan
	2009	2010	2011	2012	2013
Turnover Tea	15,111,666	18,572,186	20,626,566	22,689,223	24,958,145
Cost of Sales	9,389,275	10,995,014	12,728,431	14,001,274	15,401,402
Gross Profit	5,722,391	7,577,172	7,898,135	8,687,949	9,556,743
Gross Profit Percentage	38%	41%	38%	38%	38%
Operating expenses	3,754,708	4,382,729	4,776,615	5,254,277	5,779,704
%	25%	24%	23%	23%	23%
Operating profit	1,967,683	3,194,443	3,121,520	3,433,672	3,777,039
%	13%	17%	15%	15%	15%
Finance income/(costs)	(661,500)	(438,017)	(176,256)	(193,882)	(213,270)
Profit/(Loss) Before taxation	1,306,184	2,756,426	2,945,264	3,239,790	3,563,769
%	9%	15%	14%	14%	14%
Taxation	(403,631)	(838,328)	(867,760)	(971,937)	(1,069,131)
Profit After Taxation	902,553	1,918,098	2,077,504	2,267,853	2,494,639
Dividends	-	-	-	-	-
Net Profits after tax and dividend	902,553	1,918,098	2,077,504	2,267,853	2,494,639
EBITDA	2,141,205	3,279,568	3,187,991	3,506,790	3,857,469
Number of Shares('000')	100,002	100,002	100,002	100,002	100,003
Earnings per share - Tshs	9,025	19,181	20,775	22,678	24,946

The key financial assumptions are as stated below:

Particulars	Unit	2009	2010	2011	2012	2012
		Budget	Plan	Plan	Plan	Plan
Average rate US \$	Tshs.	1,425	1,530	1,650	1,733	1,819
Year end rate US \$	Tshs.	1,488	1,593	1,680	1,764	1,852
Exchange rate US \$: Average	Tshs.	1,425	1,530	1,650	1,733	1,819
Average devaluation %		0.17	0.07	0.08	0.08	0.08
Inflation						
Local cost %	%	0.12	0.12	0.12	0.10	0.10
Overseas costs	%	0.05	0.06	0.05	0.05	0.05
Salaries rise	%	0.12	0.12	0.12	0.10	0.10
Chai Bora Ltd Sales / Production Tea	Tons	2,798	3,500	4,000	4,400	4,840
Chai Bora Sales / Production African Infusion	Tons	2	12	25	25	25
CBL Average price / Kg nett (net of VAT)	Tsh	5,373	5,856	5,986	6,285	6,600
Raw tea cost assumptions						
Primary grade tea : Price per kg in US\$		1.45	1.45	1.45	1.45	1.45
Secondary grade tea : Price per kg in US\$		0.94	0.94	0.94	0.94	0.94

FINANCIAL PLAN

The Project has a budget for additional Capital investment as follows:

	Tshs'000
1. Plant modernization	490,000
2. Warehouse Building	460,000
3. Vehicles and Trucks	1,450,000
	<u>2,400,000</u>

Plant modernization will include the following additional acquisition.

1. New Packing Machines	457,000,000
2. Fire Fighting Equipment	33,000,000

The Factory modernization will be done over two years.

The warehouse with a capacity of over 100 tons will cost approximately Tshs 460,000,000.

The following vehicles will be purchased:

	Tshs.
1. 3 x 12 Tons Trucks	297,000,000
1. 2 x 7 Tons Trucks	148,000,000
3. 14 Pick Ups for Sales Team	808,000,000
2. 2 Forklifts	132,000,000
3. Staff Bus	65,000,000

Modernization of the factory machinery and new equipment together with expansion and entry into the global market will be through additional financing by the Shareholder.

In order to cope with increased production and sales, the Company will construct a warehouse with a capacity of over 100 tons of raw tea to supplement existing leases warehouses.

The Sales team with a country wide coverage will be well equipped especially with new pick-ups in order to effectively promote and support our dealers for our teas to reach the Market. We are currently hiring all our transport and hence the need also invest in this area in order to efficiently cover our distribution network.

Inventory turnover must remain at about two months in order to satisfy the customer's orders and meet the market needs. We have had no problems with accounts receivable since we are dealing with reputable dealers with a good history and business partnership and we expect to maintain our collection at 30 days.

MANAGEMENT SUMMARY

The Company has both a Senior Management and Middle Management heading and coordinating the operations of the various departments from Administration, Finance, Production, Sales and Marketing and Logistics. The team is empowered by the Board of Directors to be in-charge and coordinate the day to day activities for both the Dar es Salaam office and the Mafinga factory. Additional assistance is acquired on a part-time basis and/or through the use of consultants, specifically in legal matters, audit and quality certifications.

1.18 Management Team

The Management team is headed by the Managing Director who is in-charge of the overall administration and implementation of the Board Directives. The MD is supported by the Finance Director on financial matters, Head of Sales and Marketing and the Head of production at the Mafinga factory. This forms the senior Management team both at the Dar es Salaam office and Mafinga factory.

A middle management team comprising of Production Manager, Chief Accountant, Logistics Manager, Human Resource Officer, Senior technician, Assistant production Manager and a Credit Controller is in place to support the senior management team .

1.19 Personnel Plan

The current personnel team is adequate to run the operations of the Company efficiently and our current plan is on training of the support staff to enhance their productivity.

1.16 Communication strategy

- ✓ Develop new communication (advertisements) for both corporate and brands.
- ✓ Develop below the line materials (P.O.S, T-shirts, Caps etc)
- ✓ Do outdoor Advertising that are appropriate and delivers.
- ✓ Build well merchandised displays in key outlets.
- ✓ Have a focused approach to media choice with local stations coming in handy for budget brands
- ✓ Use an Advertising Agency.

1.17 Pricing Strategy

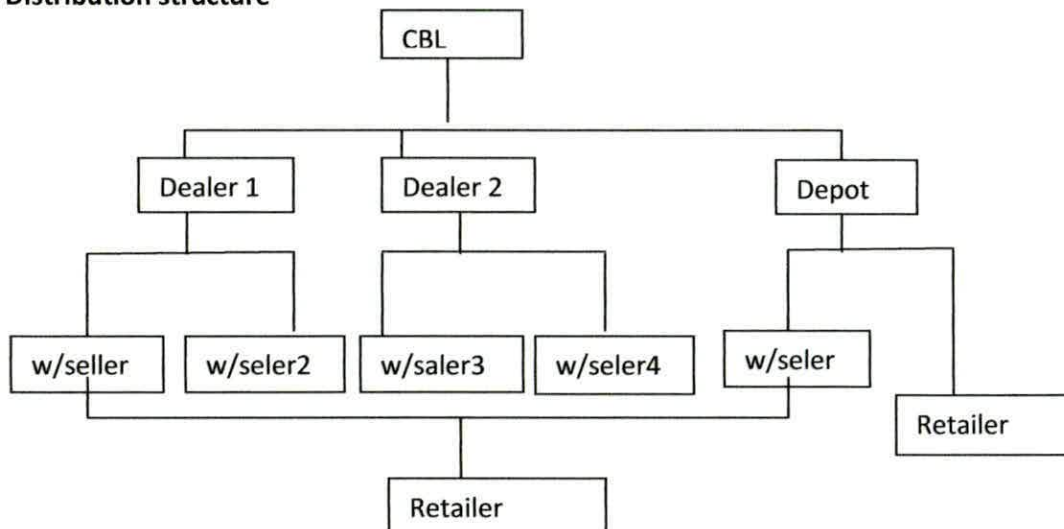
- ✓ Pricing strategy to ensure market penetration
- ✓ CBL brands to be sold to high, medium and lower price category.
- ✓ Price competitively.
- ✓ Pricing must ensure line profitability.
- ✓ Pricing to also be determined by cost of Tea, Packaging and factory overheads.

- ✓ Establish website and e-trading.

1.14 Distribution Strategy

- ✓ Selectively focus on Key established dealers and support for brand building.
- ✓ Distribution to cover Coast/Pwani, Dar es Salaam, Lake region etc.
- ✓ Enhance Trade margins to encourage stock-ups.
- ✓ Do direct selling where channel development is low (Rural).
- ✓ Directly supply key outlets and provide volume building initiatives to build trust and relationship.
- ✓ Push brands selectively along distinct target markets
- ✓ Establish the optimum number of distribution/stockist per region.
- ✓ Define the scope and nature of regions
- ✓ Target catering units (Sales and Sampling Opportunities)
- ✓ Appoint agents in key export markets.

Distribution structure



Marketing Programs

In order to maximize the brand awareness and create reach to target consumers directly, a through the line approach will be adopted and to include both Above the Line (ATL) and Below the Line (BTL) activities.

1.15 Communication objectives

- ✓ Build each brand Variant as a category name in the Target Market.
- ✓ Establish awareness, identity and visibility and make CBL Tea a brand of choice.
- ✓ Utilize the retail trade (POS) or main media to reach Target Consumers.
- ✓ Build positive brand perception to increase sales in future. This will create a "contract effect" with consumers.

- ✓ The premium tea market is very small accounting for less than 1% of total consumption.

STRATEGY AND IMPLEMENTATION SUMMARY

1.10 Product Objectives:-

- ✓ Develop high quality brands acceptable to target consumers.
- ✓ Develop export oriented brands for the global market.
- ✓ Ensure product quality sustainability through blend consistency.
- ✓ Ensure blends pricing that are competitive within specific market segments but cover cost and profitable.

1.11 Product Strategy

- ✓ Each product variant shall be placed in their respective Target Markets.
- ✓ Continuous product development will be employed to ensure that consistency and sustainability is achieved.
- ✓ Quality shall be the key driver
- ✓ Continuous monitoring against market feedback to be employed.
- ✓ Leverage heavily on product attributes to encourage usage (Taste, Color & Aroma)

1.12 Marketing Strategy

Target market

Primarily male/female in the A, C 2, D Social Economic Group, Rural/urban but skewed to Rural where they are particular about buying what offers solid and distinctive functional benefits at an affordable price.

Positioning statement

CBL Tea should be perceived as the Tea that truly embodies the finest quality and value for money. This must be endorsed through solid and distinctive functional benefits.

1.13 Promotion Strategy

- ✓ Create extended awareness
- ✓ Create consumer-pull on the product by generating trial and switching from current brands.
- ✓ Reward consumer loyalty
- ✓ Generate sale and grow market share
- ✓ Ensure value for money
- ✓ Ensure brand visibility in store.
- ✓ Check competition.

1.8 Sourcing

Materials

Raw tea as the main raw material is sourced from the neighbouring Tea factories of Kibena, Unilevers, Wakulima, Tukuyu and Mufindi. The Company uses both local and imported packing materials. Local material is sourced from Dar es Salaam while most of the special packing material is sourced from India.

The factory machinery is imported from Argentina and India as well as the necessary spares.

Labour

Labour is sourced from the local community as well as from the other parts of the Country.

Capital

The funding of the factory operations is through workings capital generated by the activities. The Shareholders will inject additional funding for the Factory modernization, new warehouse and vehicles through medium term loans.

1.9 Technology

The project aims at building on the benefits of the existing automated packing line with minimal human intervention at the final stages. The Tea blending, tasting and quality control which are still labour intensive will be improved through latest technology and automation.

Part of the anticipated expansions and new products will call for additional investment in Machinery and the latest technology.

MARKET ANALYSIS

Competitive Environment

- ✓ Overall the business environment across most sectors expected to be stable
- ✓ The economy expected to be on a growth path
- ✓ Current per – capital consumption of tea, estimated at 0.2kgs per annum.
- ✓ CBL and TTB continue to dominate the market with a joint share of over 90% of the branded tea market.
- ✓ Growing importance of lower-end market who continually demand value for money.
- ✓ Growing niche market for infusions(herbal)
- ✓ Growing demand for specialty teas globally

1.6 Company Locations and Facilities

The Company's Head Quarter is at Dar es Salaam while the factory is situated at Mafinga, Iringa region of Tanzania approximately 600 kilometers from Dar es Salaam. The Company' factory has a production capacity of over 3,500,000 kilos per year with a current capacity utilization of 70%. The Factory is located in a Tea growing area which augurs well as the source of its raw tea. The Factory locations on the Great North road which serves well on the transportation needs. The factory is able to secure all its labour requirements from the local community.

In addition the Company has Operational business units all over the Country which form is distribution and sales network.

1.7 Products

The Company blends, packs and markets strong brands of mainly CTC black teas in various sizes as to meet the needs of the Tanzanian population. A summary of the products and packages is as below:

BRAND	VARIANT	WEIGHT
Nguvu blend Supreme	Black CTC	500g
	"	250g
	"	100g
	"	50g
	"	3g
	"	2.5g
	"	500g
	"	250g
	"	100g
	"	50g
Premium	Black CTC. Tea Bags	10g
		3g
		500gms
		250gms
Luxury	Tea Bags –	100gms(tbs)
		50gms(tbs)
Herbal infusions	Tea Bags –	100gms
		50gms
		100gms
		50gms
	- Hibiscus	
	- Camomile	
	- Green Tea	
	- Lemon Symphony	

- Additional employment through increased production and sales teams.
- Entry into the export market through sales of specialty teas to the global and regional market.
- Establish strategic relationships with dealers and agents across the whole country to increase the sales volumes.
- Operate the Business in an environment friendly manner.
- Contribute positively to enhancing good corporate social responsibility focusing on the well being of the Tanzanian population at large.

1.2 Vision

“To be the leading Company in Tea Blending, Packing and Marketing of high quality teas in Tanzania with a significant presence in the regional export market”

1.3 Mission

Chai Bora Limited seeks to serve all Tea drinkers and enthusiasts by exceeding minimum acceptable quality standards and by providing the highest quality product at the lowest possible price. We value our relationships with current and future customers and hope to communicate our appreciation to them through our outstanding, guaranteed product quality, personal service, and efficient delivery.

COMPANY SUMMARY

Chai Bora Limited buys black Tea from reputable tea growing and processing factories mainly in the southern region of Tanzania. The quality Tea is blended and packed in the Company's factory at Mafinga, Iringa through high standards of food packaging with various brands for the different markets across the country.

The Company's products are distributed through a well coordinated and reliable system in order to reach all corners of the country and meet the needs of the population.

1.4 Company Ownership

Chai Bora Limited is a privately owned packaging and seller of Tanzanian grown Tea. It was recently acquired by Trans-Century Group, a private equity and Investment Company with interest in East and Southern Africa. The recent ownership changes brings with it expected additional funding and access to capital for the Company to carry out some major business expansions with a target growth in exports.

1.5 Company History

Chai Bora Limited was incorporated in year 2006 as a subsidiary Company of Tanzania, Tea Packers Limited. The factory operations were started in 1995 under the TaTePa Company with Chai Bora as the Brand name.

EXECUTIVE SUMMARY

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Through the additional investment the Company will benefit through:

- Increased volume and progressive growth in revenues
- Increased efficiencies and cost saving through plant modernization.
- Efficient stock management with the additional warehousing
-

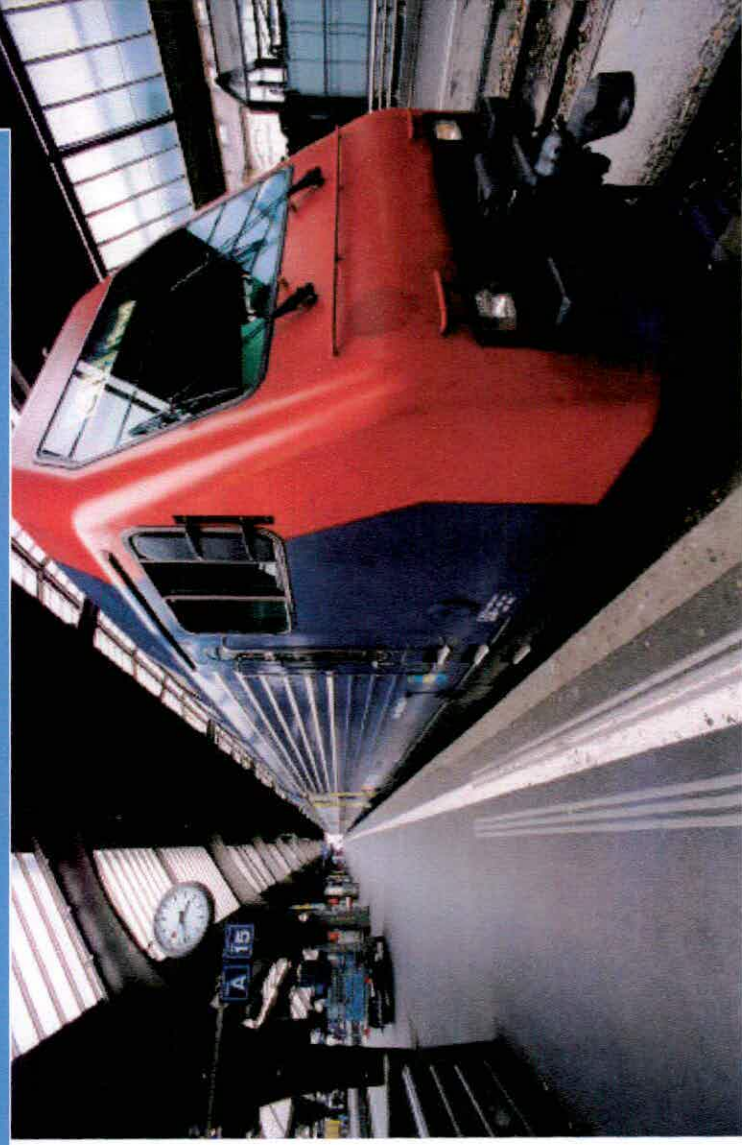
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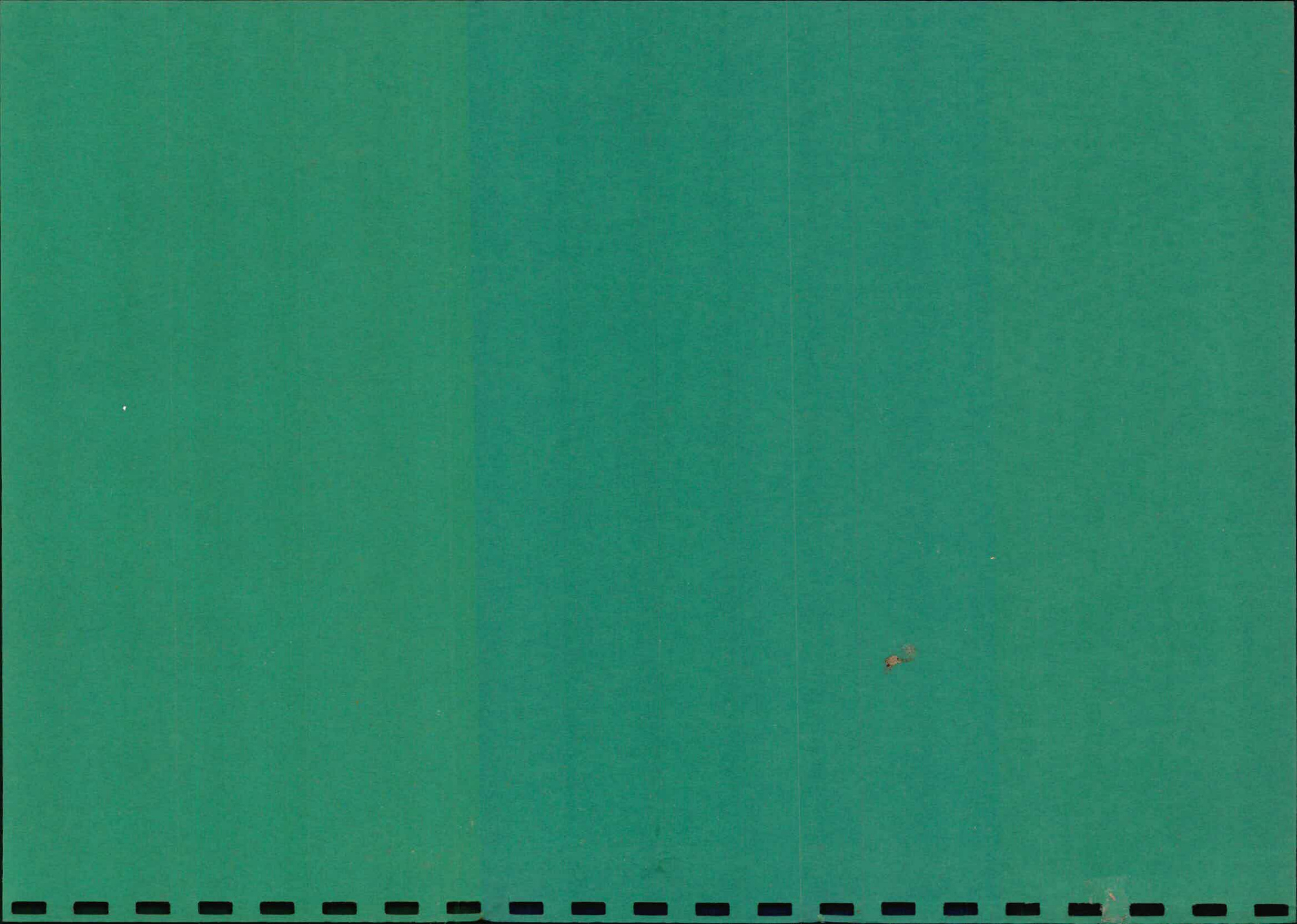
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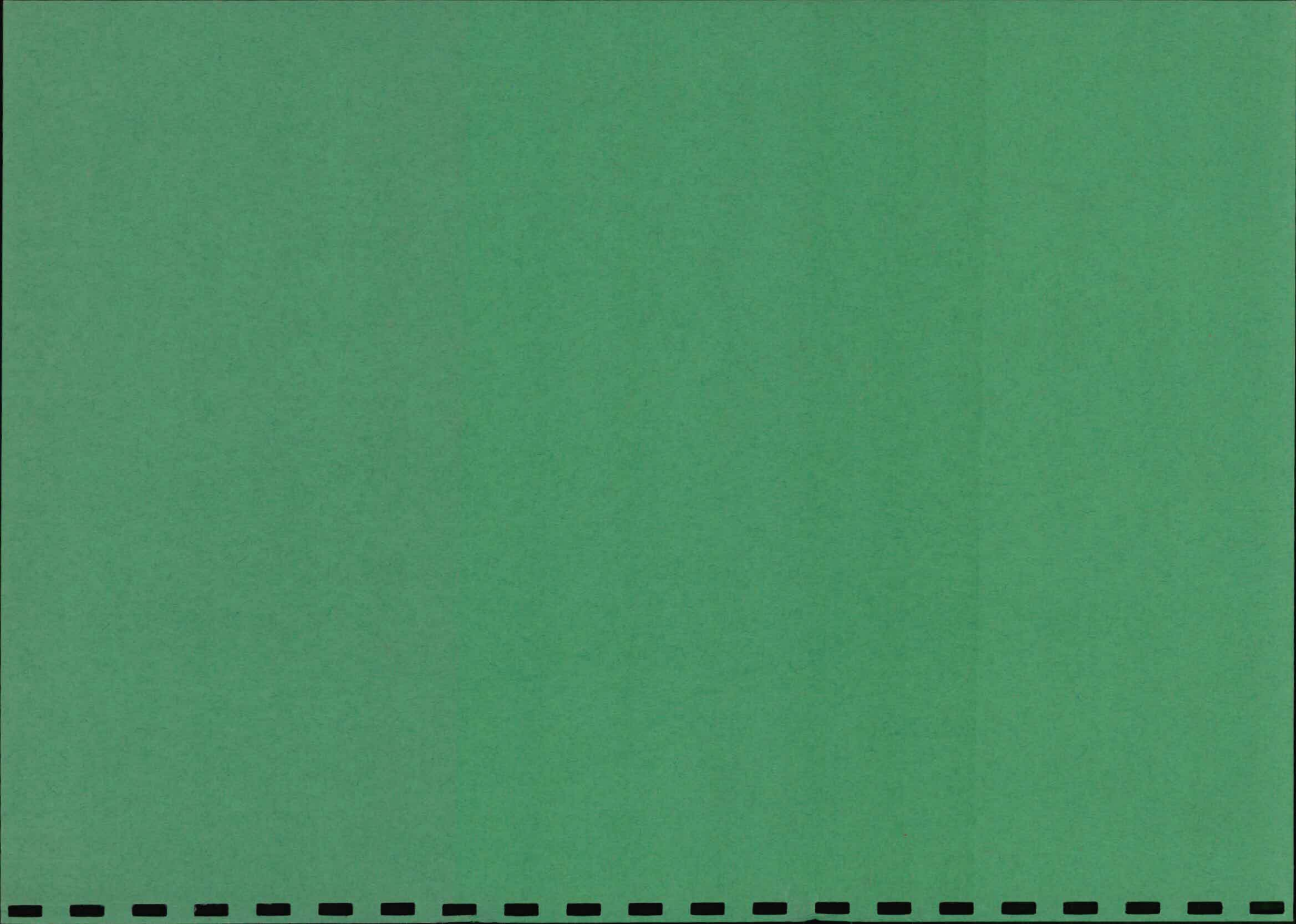
2009

BUSINESS PLAN

PLANT MODERNISATION AND BUSINESS EXPANSION







The government will coordinate production of tea seedlings and plans to make available 10million high quality seedlings this season.

- c) The project will contribute substantially to government revenue by way of duties, levies, taxes and licenses.
- d) The project will generate additional employment directly in the production, marketing and distribution departments.

Conclusion

Entry of the Trans- Century Ltd group into the tea industry in Tanzania is a good pointer for the industry in view of the extent to which its group companies reach out both geographically and in terms of business integrations. CHAI BORA LTD, enjoys 54% market share and is likely to increase its share as it explores further markets in Sudan and Egypt.(Egypt alone consumes four times the quantity of tea consumed in the SADAC countries market)

It is therefore, obvious that this project is important for the economy of this country and that as such the company should be encouraged to proceed with the modernization of the plant and expansion of the fleet of tea distribution motor vehicles.

1.22 Financial Appraisal

On the basis of the various assumptions contained in this plan the net profit after taxes to accrue from this expansion project is expected to rise from T.shs 902,553,000 in the first year to T.shs. 2,494,639,000 in the fifth year. By the end of the fifth year the company will have accumulated reserves of T.shs 12,081,929,000 as no dividend are paid out.

The company's internal rate of return (IRR) before taxes is 88% which is a firm indication of the financial viability of this project.

1.23 Economic Appraisal

This expansion project is economically desirable on a number of aspects, of which the following are the main ones:-

- a) **Foreign Exchange** – this expansion project is in response to an increase in the market as a result of the advent of the new shareholders who have brought with them new markets in the COMESA Area encompassing the huge Sudan market which is as big as the total SADAC tea market. This will result in additional export market which means additional foreign exchange.
- b) **Employment Generation** – the increase in demand of raw tea (which is The raw material) in response to the enlarged market for packed teas will create demand for raw tea production which will create additional income and employment for tea farmers.

The government is pushing expansion of tea production and a number of incentives have been provided for the farmers. The feeder roads to the tea farms will be improved to ease tea collection. The government plans to increase tea production from 34,165 metric tons produced in 2007/2008 season to 37,000 metric tons in the 2008/2009 season.

1.21 Projected Balance Sheet

BALANCE SHEET	Projected	Projected	Projected	Projected	Projected
	2009	2010	2011	2012	2013
Non-Current Assets	-				
Plant, property & equipment	1,331,676	1,851,511	3,615,511	4,115,511	4,615,511
Deferred tax Asset	96,604	96,604	96,604	96,604	96,604
Trade Marks	750	750	750	750	750
Total Non-Current asset	1,429,030	1,948,865	3,712,865	4,212,865	4,712,865
Current asset	3,772,108	4,494,660	5,801,510	7,092,895	8,614,703
TOTAL ASSETS	5,201,138	6,443,525	9,514,375	11,305,760	13,327,568
current liabilities	2,158,225	1,311,902	1,285,155	1,349,413	1,416,883
Bank Loan	1,071,203	943,633	707,427	471,221	235,015
Shareholders Loans	399,043	657,900	1,881,000	1,568,000	1,255,000
Employees gratuity	97,079	134,405	169,606	178,086	186,991
Total non-current liabilities	1,567,325	1,735,938	2,758,033	2,217,307	1,677,006
Total Liabilities	3,725,550	3,047,840	4,043,188	3,566,720	3,093,889
Equity	-				
Profit/Loss year to date	902,552	1,918,098	2,077,501	2,267,853	2,494,639
Retained Earnings	573,036	1,475,588	3,393,686	5,471,187	7,739,040
Total equity	1,475,588	3,393,686	5,471,187	7,739,040	10,233,679
Total Equity And Liabilities	5,201,138	6,443,526	9,514,375	11,305,760	13,327,568

1.20 Projected Profit and Loss

FINANCIAL RESULTS & PROJECTIONS Values in Tshs'000 (unless stated)	Budget	Plan	Plan	Plan	Plan
	2009	2010	2011	2012	2013
Turnover Tea	15,111,666	18,572,186	20,626,566	22,689,223	24,958,145
Cost of Sales	9,389,275	10,995,014	12,728,431	14,001,274	15,401,402
Gross Profit	5,722,391	7,577,172	7,898,135	8,687,949	9,556,743
Gross Profit Percentage	38%	41%	38%	38%	38%
Operating expenses	3,754,708	4,382,729	4,776,615	5,254,277	5,779,704
%	25%	24%	23%	23%	23%
Operating profit	1,967,683	3,194,443	3,121,520	3,433,672	3,777,039
%	13%	17%	15%	15%	15%
Finance income/(costs)	(661,500)	(438,017)	(176,256)	(193,882)	(213,270)
Profit/(Loss) Before taxation	1,306,184	2,756,426	2,945,264	3,239,790	3,563,769
%	9%	15%	14%	14%	14%
Taxation	(403,631)	(838,328)	(867,760)	(971,937)	(1,069,131)
Profit After Taxation	902,553	1,918,098	2,077,504	2,267,853	2,494,639
Dividends	-	-	-	-	-
Net Profits after tax and dividend	902,553	1,918,098	2,077,504	2,267,853	2,494,639
EBITDA	2,141,205	3,279,568	3,187,991	3,506,790	3,857,469
Number of Shares('000')	100,002	100,002	100,002	100,002	100,003
Earnings per share - Tshs	9,025	19,181	20,775	22,678	24,946

The key financial assumptions are as stated below:

Particulars	Unit	2009	2010	2011	2012	2012
		Budget	Plan	Plan	Plan	Plan
Average rate US \$	Tshs.	1,425	1,530	1,650	1,733	1,819
Year end rate US \$	Tshs.	1,488	1,593	1,680	1,764	1,852
Exchange rate US \$: Average	Tshs.	1,425	1,530	1,650	1,733	1,819
Average devaluation %		0.17	0.07	0.08	0.08	0.08
Inflation						
Local cost %	%	0.12	0.12	0.12	0.10	0.10
Overseas costs	%	0.05	0.06	0.05	0.05	0.05
Salaries rise	%	0.12	0.12	0.12	0.10	0.10
Chai Bora Ltd Sales / Production Tea	Tons	2,798	3,500	4,000	4,400	4,840
Chai Bora Sales / Production African Infusion	Tons	2	12	25	25	25
CBL Average price / Kg nett (net of VAT)	Tsh	5,373	5,856	5,986	6,285	6,600
Raw tea cost assumptions						
Primary grade tea : Price per kg in US\$		1.45	1.45	1.45	1.45	1.45
Secondary grade tea : Price per kg in US\$		0.94	0.94	0.94	0.94	0.94

FINANCIAL PLAN

The Project has a budget for additional Capital investment as follows:

	Tshs'000
1. Plant modernization	490,000
2. Warehouse Building	460,000
3. Vehicles and Trucks	1,450,000
	<u>2,400,000</u>

Plant modernization will include the following additional acquisition.

1. New Packing Machines	457,000,000
2. Fire Fighting Equipment	33,000,000

The Factory modernization will be done over two years.

The warehouse with a capacity of over 100 tons will cost approximately Tshs 460,000,000.

The following vehicles will be purchased:

	Tshs.
1. 3 x 12 Tons Trucks	297,000,000
1. 2 x 7 Tons Trucks	148,000,000
3. 14 Pick Ups for Sales Team	808,000,000
2. 2 Forklifts	132,000,000
3. Staff Bus	65,000,000

Modernization of the factory machinery and new equipment together with expansion and entry into the global market will be through additional financing by the Shareholder.

In order to cope with increased production and sales, the Company will construct a warehouse with a capacity of over 100 tons of raw tea to supplement existing leases warehouses.

The Sales team with a country wide coverage will be well equipped especially with new pick-ups in order to effectively promote and support our dealers for our teas to reach the Market. We are currently hiring all our transport and hence the need also invest in this area in order to efficiently cover our distribution network.

Inventory turnover must remain at about two months in order to satisfy the customer's orders and meet the market needs. We have had no problems with accounts receivable since we are dealing with reputable dealers with a good history and business partnership and we expect to maintain our collection at 30 days.

MANAGEMENT SUMMARY

The Company has both a Senior Management and Middle Management heading and coordinating the operations of the various departments from Administration, Finance, Production, Sales and Marketing and Logistics. The team is empowered by the Board of Directors to be in-charge and coordinate the day to day activities for both the Dar es Salaam office and the Mafinga factory. Additional assistance is acquired on a part-time basis and/or through the use of consultants, specifically in legal matters, audit and quality certifications.

1.18 Management Team

The Management team is headed by the Managing Director who is in-charge of the overall administration and implementation of the Board Directives. The MD is supported by the Finance Director on financial matters, Head of Sales and Marketing and the Head of production at the Mafinga factory. This forms the senior Management team both at the Dar es Salaam office and Mafinga factory.

A middle management team comprising of Production Manager, Chief Accountant, Logistics Manager, Human Resource Officer, Senior technician, Assistant production Manager and a Credit Controller is in place to support the senior management team .

1.19 Personnel Plan

The current personnel team is adequate to run the operations of the Company efficiently and our current plan is on training of the support staff to enhance their productivity.

1.16 Communication strategy

- ✓ Develop new communication (advertisements) for both corporate and brands.
- ✓ Develop below the line materials (P.O.S, T-shirts, Caps etc)
- ✓ Do outdoor Advertising that are appropriate and delivers.
- ✓ Build well merchandised displays in key outlets.
- ✓ Have a focused approach to media choice with local stations coming in handy for budget brands
- ✓ Use an Advertising Agency.

1.17 Pricing Strategy

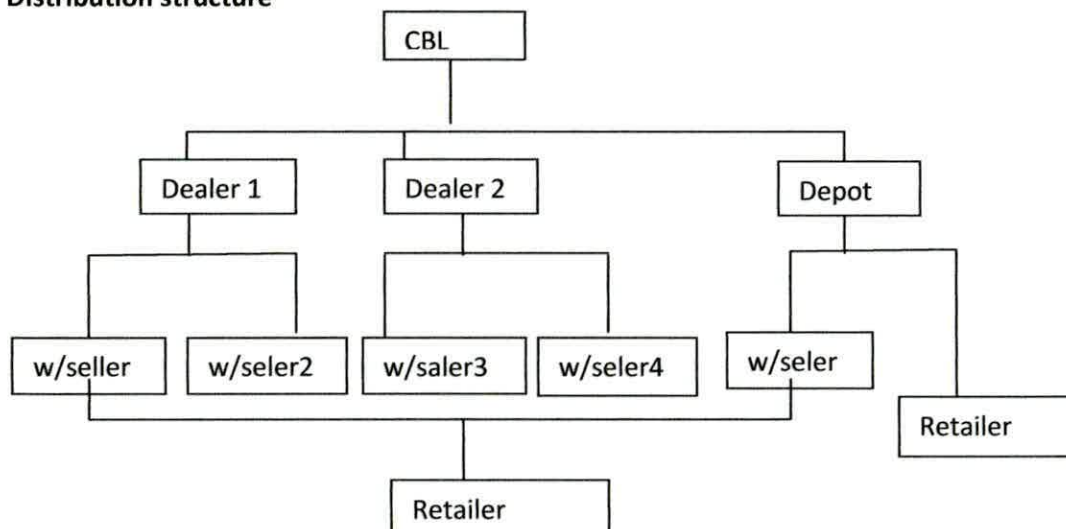
- ✓ Pricing strategy to ensure market penetration
- ✓ CBL brands to be sold to high, medium and lower price category.
- ✓ Price competitively.
- ✓ Pricing must ensure line profitability.
- ✓ Pricing to also be determined by cost of Tea, Packaging and factory overheads.

- ✓ Establish website and e-trading.

1.14 Distribution Strategy

- ✓ Selectively focus on Key established dealers and support for brand building.
- ✓ Distribution to cover Coast/Pwani, Dar es Salaam, Lake region etc.
- ✓ Enhance Trade margins to encourage stock-ups.
- ✓ Do direct selling where channel development is low (Rural).
- ✓ Directly supply key outlets and provide volume building initiatives to build trust and relationship.
- ✓ Push brands selectively along distinct target markets
- ✓ Establish the optimum number of distribution/stockist per region.
- ✓ Define the scope and nature of regions
- ✓ Target catering units (Sales and Sampling Opportunities)
- ✓ Appoint agents in key export markets.

Distribution structure



Marketing Programs

In order to maximize the brand awareness and create reach to target consumers directly, a through the line approach will be adopted and to include both Above the Line (ATL) and Below the Line (BTL) activities.

1.15 Communication objectives

- ✓ Build each brand Variant as a category name in the Target Market.
- ✓ Establish awareness, identity and visibility and make CBL Tea a brand of choice.
- ✓ Utilize the retail trade (POS) or main media to reach Target Consumers.
- ✓ Build positive brand perception to increase sales in future. This will create a "contract effect" with consumers.

- ✓ The premium tea market is very small accounting for less than 1% of total consumption.

STRATEGY AND IMPLEMENTATION SUMMARY

1.10 Product Objectives:-

- ✓ Develop high quality brands acceptable to target consumers.
- ✓ Develop export oriented brands for the global market.
- ✓ Ensure product quality sustainability through blend consistency.
- ✓ Ensure blends pricing that are competitive within specific market segments but cover cost and profitable.

1.11 Product Strategy

- ✓ Each product variant shall be placed in their respective Target Markets.
- ✓ Continuous product development will be employed to ensure that consistency and sustainability is achieved.
- ✓ Quality shall be the key driver
- ✓ Continuous monitoring against market feedback to be employed.
- ✓ Leverage heavily on product attributes to encourage usage (Taste, Color & Aroma)

1.12 Marketing Strategy

Target market

Primarily male/female in the A, C 2, D Social Economic Group, Rural/urban but skewed to Rural where they are particular about buying what offers solid and distinctive functional benefits at an affordable price.

Positioning statement

CBL Tea should be perceived as the Tea that truly embodies the finest quality and value for money. This must be endorsed through solid and distinctive functional benefits.

1.13 Promotion Strategy

- ✓ Create extended awareness
- ✓ Create consumer-pull on the product by generating trial and switching from current brands.
- ✓ Reward consumer loyalty
- ✓ Generate sale and grow market share
- ✓ Ensure value for money
- ✓ Ensure brand visibility in store.
- ✓ Check competition.

1.8 Sourcing

Materials

Raw tea as the main raw material is sourced from the neighbouring Tea factories of Kibena, Unilevers, Wakulima, Tukuyu and Mufindi. The Company uses both local and imported packing materials. Local material is sourced from Dar es Salaam while most of the special packing material is sourced from India.

The factory machinery is imported from Argentina and India as well as the necessary spares.

Labour

Labour is sourced from the local community as well as from the other parts of the Country.

Capital

The funding of the factory operations is through workings capital generated by the activities. The Shareholders will inject additional funding for the Factory modernization, new warehouse and vehicles through medium term loans.

1.9 Technology

The project aims at building on the benefits of the existing automated packing line with minimal human intervention at the final stages. The Tea blending, tasting and quality control which are still labour intensive will be improved through latest technology and automation.

Part of the anticipated expansions and new products will call for additional investment in Machinery and the latest technology.

MARKET ANALYSIS

Competitive Environment

- ✓ Overall the business environment across most sectors expected to be stable
- ✓ The economy expected to be on a growth path
- ✓ Current per – capital consumption of tea, estimated at 0.2kgs per annum.
- ✓ CBL and TTB continue to dominate the market with a joint share of over 90% of the branded tea market.
- ✓ Growing importance of lower-end market who continually demand value for money.
- ✓ Growing niche market for infusions(herbal)
- ✓ Growing demand for specialty teas globally

1.6 Company Locations and Facilities

The Company's Head Quarter is at Dar es Salaam while the factory is situated at Mafinga, Iringa region of Tanzania approximately 600 kilometers from Dar es Salaam. The Company' factory has a production capacity of over 3,500,000 kilos per year with a current capacity utilization of 70%. The Factory is located in a Tea growing area which augurs well as the source of its raw tea. The Factory locations on the Great North road which serves well on the transportation needs. The factory is able to secure all its labour requirements from the local community.

In addition the Company has Operational business units all over the Country which form is distribution and sales network.

1.7 Products

The Company blends, packs and markets strong brands of mainly CTC black teas in various sizes as to meet the needs of the Tanzanian population. A summary of the products and packages is as below:

BRAND	VARIANT	WEIGHT
Nguvu blend Supreme	Black CTC	500g
	"	250g
	"	100g
	"	50g
	"	3g
	"	2.5g
	"	500g
	"	250g
	"	100g
	"	50g
Premium	Black CTC. Tea Bags	10g
		3g
		500gms
		250gms
Luxury	Tea Bags	100gms(tbs)
		50gms(tbs)
Herbal infusions	Tea Bags –	100gms
		50gms
	- Hibiscus	100gms
	- Camomile	50gms
	- Green Tea	
	- Lemon Symphony	

- Additional employment through increased production and sales teams.
- Entry into the export market through sales of specialty teas to the global and regional market.
- Establish strategic relationships with dealers and agents across the whole country to increase the sales volumes.
- Operate the Business in an environment friendly manner.
- Contribute positively to enhancing good corporate social responsibility focusing on the well being of the Tanzanian population at large.

1.2 Vision

“To be the leading Company in Tea Blending, Packing and Marketing of high quality teas in Tanzania with a significant presence in the regional export market”

1.3 Mission

Chai Bora Limited seeks to serve all Tea drinkers and enthusiasts by exceeding minimum acceptable quality standards and by providing the highest quality product at the lowest possible price. We value our relationships with current and future customers and hope to communicate our appreciation to them through our outstanding, guaranteed product quality, personal service, and efficient delivery.

COMPANY SUMMARY

Chai Bora Limited buys black Tea from reputable tea growing and processing factories mainly in the southern region of Tanzania. The quality Tea is blended and packed in the Company's factory at Mafinga, Iringa through high standards of food packaging with various brands for the different markets across the country.

The Company's products are distributed through a well coordinated and reliable system in order to reach all corners of the country and meet the needs of the population.

1.4 Company Ownership

Chai Bora Limited is a privately owned packaging and seller of Tanzanian grown Tea. It was recently acquired by Trans-Century Group, a private equity and Investment Company with interest in East and Southern Africa. The recent ownership changes brings with it expected additional funding and access to capital for the Company to carry out some major business expansions with a target growth in exports.

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2009

BUSINESS PLAN

PLANT MODERNISATION AND BUSINESS EXPANSION



CHAI BORA LIMITED

January 2009

3.

DIF

Please submit a draft letter for SED's
Signature.

~~A~~
D/o
24/02/2015

4.

ExD

I hereby submit a copy of the letter

EXD

✓ h

1.0

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 2.4 m
- (b) Legal entity has been incorporated under certificate No. 565901 of 26/05/2006

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

6th April 2009

2.0

EXD

In response to the TIC letter of registration dated 6th April 2007

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from NC Bank of Nairobi Kenya
- (c) Certificate of title as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 041676 herein attached.

20/04/2009

DIF