

FURNITURE PALACE CO

LTD

1.0


EXD ✓ h

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest USD 0.82 m.....
- (b) Legal entity has been incorporated under certificate No. 70328 of 24/03/2009.....

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

7th August 2009

2.0

EXD

In response to the TIC letter of registration dated 7th August 2009.....

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from CRDB Bank LTD.....
- (c) Title deed as evidence of financing.....

With the above submission EXD is requested to sign Certificate of Incentives No. 041734..... herein attached.

14/08/09



DIF

3.0 AG EXD

Certificate of Incentives has been amended
as per folio 11 and is hereby Submitted for
your signature

6/11/2012


DIF

4.0

EXD

20/06/13

Certificate of Incentives has been amended
as per folio 6 and is Submitted as per folio 6
and is hereby Submitted for your signature

15/6/2013


DIF

FURNITURE PALACE CO. LTD

P.O.BOX 14546, TEL: +255 786 525 727.

DAR ES SALAAM, TANZANIA.

The Executive Director
Tanzania Investment Centre
P.O.Box 938
Dar Es Salaam
TANZANIA.

16/02/2009.

Dear Sir,

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES.

We submit our application for TIC Certificate of Incentives to facilitate establishment of a project for manufacturing of high quality furniture in Dar es Salaam.

Attached herewith please find the following basic documents for your kind approval:

1. Duly completed and signed Application form.
2. A copy of our Certificate of Incorporation.
3. A copy of the company's Memorandum and Article of Association
4. Company Board Resolution to register with TIC.
5. Copies of our Business Plan.
6. Reference letter from our bankers.
7. Evidence of land ownership for project location.

Thanking you for your kind cooperation.

Yours' Sincerely,

FURNITURE PALACE COMPANY LIMITED


Amor Mohamed Salim
DIRECTOR.



FURNITURE PALACE CO. LTD

P.O.BOX 14546, TEL: +255 786 525 727.

DAR ES SALAAM, TANZANIA.

EXTRACT FROM A MEETING OF THE BOARD OF DIRECTORS AND SHAREHOLDERS OF FURNITURE PALACE COMPANY LIMITED

AT A DULY CONVENED AND CONSTITUTE MEETING OF THE BOARD OF DIRECTORS OF FURNITURE PALACE COMPANY LIMITED HELD AT THE REGISTERED OFFICES OF THE COMPANY ON THE 3RD DAY OF FEBRUARY 2009, THE FOLLOWING RESOLUTIONS WERE PASSED:

1. THAT FUNDS AMOUNTING US\$ 591,000 BE CONTRIBUTED BY SHAREHOLDERS TO FINANCE ESTABLISHMENT OF A FURNITURE MANUFACTURING PROJECT AT THE COST OF US\$ 985,000. THE BALANCE IS RAISED THROUGH BANK LOANS.
2. THAT MR. AMOR MOHAMED SALIM THE PRINCIPAL OFFICER TO OVERSEE IMPLEMENTATION OF THE PROJECT.
3. THAT THE PROJECT IS REGISTERED WITH TANZANIA INVESTMENT CENTRE SO AS TO ENJOY FULLY INVESTMENT INCENTIVES, BENEFITS AND PROTECTION AS STATUTORILY PROVIDED FOR UNDER TANZANIA INVESTMENT ACT, 1997.

CERTIFIED TRUE EXTRACT
(By order of the Board)



MR. AMOR MOHAMED SALIM.

CHAIRMAN



MR. SHECKY A. MASUMBA.

SECRETARY



Ref. EXIM/ DAR/ CT/ 430/09

25th February 2009

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

Dear Sir / Madam,

RE: INTRODUCING M/S. AMOR MOHAMED SALIM

Please be informed that M/S. Amor Mohamed Salim is our client maintaining Company Account 'FURNITURE PALACE CO. LTD' No. 0823322227 with EXIM BANK (T) LIMITED - Clock Tower Branch.

The operations of the accounts are satisfactory.

This certificate is being issued at the request of our customer without any guarantee or responsibility on the part of this bank or its officials.

Any assistance will be appreciated.

Your Sincerely,

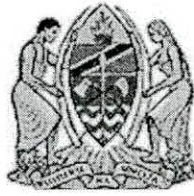
Jaquiline Abrahamsson
Branch Manager

C.C. Amor Mohamed Salim

Exim Bank (Tanzania) Ltd.

P. O. Box 9510, Clock Tower, Dar es Salaam,
Tel: (255) 22-2129678/9/80 Fax: (255) 22-2129682
website: www.eximbank-tz.com
E-mail: enquiry@eximbank-tz.com

TANZANIA



Certificate of Incorporation

Section 15

No 69052

I HEREBY CERTIFY THAT

FURNITURE PALACE COMPANY 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 19TH day of DECEMBER**TWO THOUSAND AND EIGHT**

A handwritten signature in black ink, appearing to read 'J. M. M. M.', written over a dotted line.

Assist. Registrar of Companies

CTIN.: 0468838



TANZANIA REVENUE AUTHORITY

CERTIFICATE OF REGISTRATION

FOR

TAXPAYER IDENTIFICATION NUMBER (TIN)

(ISSUED UNDER SECTION 133 OF THE INCOME TAX ACT NO. 11 OF 2004)

THIS IS TO CERTIFY THAT


FURNITURE PALACE COMPANY LIMITED

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

107-706-046

with effect from

17/02/2009


JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

TENANCY AGREEMENT

THIS AGREEMENT is made this 1st day of JANUARY, 2009

BETWEEN

GBP TANZANIA LTD of P.O.BOX 3728, DAR ES SALAAM (hereinafter to be referred to as "**the Landlord**") of the one part,

AND

FURNITURE PALACE COMPANY LTD of P.O.BOX 14546, DAR ES SALAAM (hereinafter to be referred to as "**the Tenant**") of the other part.

PREAMBLE

WHEREAS the Landlord is the lawful owner of the premises situated on Plot No. 51 Block Wazo Industrial Area, and WHEREAS the Landlord is the desirous of renting of the space Land 2000 Sqm to the Tenant; and

WHEREAS the Tenant is willing to rent the said area;

NOW THEREFORE, the parties hereto have agreed as follows:

1. THAT the tenancy agreed shall be for a period of FIVE YEARS from **01st January' 2009** (Effective date), after five years renewable at each end of year as will be agreed between the parties.
2. THAT the monthly rent for the demised premises is **USD 300 (US Dollars Three Hundred Only)** payable in lump some upon execution of the agreement and after deduction of the construction cost.
3. THAT the Landlord reserves the right to raise the rent of the demised premises at the end of each year, whose rate may be negotiated between Landlord and the Tenant.

THE TENANT HEREBY covenants with the Landlord as follows:

- (a) The Tenant is prohibited from selling or bringing into the demised premises Alcohol.
- (b) The Tenant is prohibited from selling or bringing into the demised premises any other goods/items forbidden by the Government or any Government Agents.

- (c) No alterations will be carried out without consultation with the Landlord.
- (d) To pay rental dues timely and promptly as stated in this Agreement.
- (e) To allow the Landlord or his agents to enter into the demised premises for inspection.
- (f) To pay water, electricity and telephone bills from the "effective date".
- (g) Not to sublet, assign or part with the possession of the demised premises or any part thereof without the prior consent of the Landlord.
- (h) Not to make or permit or cause to be done any alteration in or addition to the demised premises without prior consent of the Landlord in writing.

4. THE LANDLORD hereby covenants with the Tenant as follows:

- (a) To pay and discharge all existing and future land rent, site rent, property tax & 50% withholding Tax as per the agreement payable in respect of the demised premises.
- (b) That the Tenant performing his obligation under this Agreement shall peacefully hold and enjoy the demised premises without any interruption on by the Landlord or those claiming through or under him.

5. PROVIDED ALWAYS and it is hereby mutually agreed that :

- (a) That at the expiry of this Agreement the parties may enter into another Tenancy Agreement by giving sixty days (60) written notice.
- (b) That any dispute arising under this Agreement between the parties shall be settled amicably but should there be a disagreement the matter shall be resolved in accordance with the law.
- (c) In the event of the demised premises or any part thereof at anytime during the tenancy being damaged or destroyed by fire so

as to be wholly or partly unfit for use and occupation then the rent thereby reserved or a proportion thereof according to the nature of the damage sustained shall be suspended until the demised premises shall again be rendered fit for habitation.

(d) This Agreement may be Terminated by either party by giving a one month written notice OR by paying one month's rental to the other party.

IN WITNESS WHEREOF the parties hereto have duly put their hands on these presents in the manner and on the day hereinafter appearing:-

SIGNED and DELIVERED by the)
said **GBP TANZANIA LTD** this)
9th day of **FEBRUARY** 2009. at)
Dar es Salaam)

Name: NASREEN H. BAFACIH.

Address P.O. Box 3728

DAR ES SALAAM

Signed: RB Bafacih

Qualification: AG. FINANCE MANAGER

SIGNED and DELIVERED by the)
said **FURNITURE PALACE CO LTD**)
this 9th day of **FEBRUARY** 2009.)
at Dar es salaam)

Name: AMOR M. SALIM

Address P.O. Box 14546

DAR ES SALAAM

Signed: [Signature]

Qualification: Managing Director

GBP TANZANIA LTD
P.O. Box 3728
DAR ES SALAAM

FURNITURE PALACE COMPANY LTD.
P.O. Box 14546
DAR ES SALAAM

Dated this 27th Day of February, 2009.

WITNESSES to the above Signatures:

Name: Prosper Mwangamila

Signature: [Signature]

Postal Address: Box 71069,

Qualification: State Attorney.

ATTORNEY GENERAL'S CHAMBERS
27 FEB 2009
DAR ES SALAAM



TIC Evaluation Report

2

Name of the Company
Furniture Palace Co. Ltd.

Post Box	Wazo Industrial Area Plot No. 51	COI Number	69052	Contact	Mr. Amor Mohamed Salim
Post Office	14546	COI Date	19/12/2008	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	07735	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0786 525 727
		Sub Sector	Furniture	Fax	0
		File No	041665	E-Mail Address	amor_esry@hotmail.com

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 51	<table border="1"> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> <tr> <td>0.591</td> <td>0</td> <td>0</td> <td>0.394</td> </tr> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.591	0	0	0.394		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0.591	0		0	0.394								
Street	Wazo Industrial Area											
District	Kinondoni											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.15
Amor Mohamed Salim	Tanzanian	30	Plant	0.4
Nasser Mohamed Omair Alhinai	Omani	70	Vehicles	0.19
			Furniture & Fittings	0.02
			Pre-expenses	0.025
			Others	0.05
			Working Capital	0.15
			Total	0.985

Employment	105	Evaluated By	Sospeter Ndelema Dome
Capacity	xxxx	Drawn By	Sarah Registry
Project Turn Over			

Description

To establish a project for manufacturing of furniture

Recommendations

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

Decision

Approval - No finished goods
Amor
AG ExD
17/03/09

4



TFN. 614 (Rev. 8.94)

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

30325296 1

NIMEPOKEA KWA
Received from

FURNITURE PALACE CO. LTD



KIASI
Amount

Shs.				Cts.	
U	8	0	0	0	0
7	5	0	0	0	0

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

USDOLLAR SEVEN HUNDRED FIFTY ONLY

NA SENTI
And Cents

KWA MALIPO YA
In Respect of

CERTIFICATE OF INCENTIVES

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

CASH

KITUO - Station

SAHIHI YA MPOKEAJI - Receiving Officer's
Signature.

CHEO - Title ACC

TAREHE - Date 20 MAR. 2009

BEM.

TICC/PP.10/041665/3

19th March 2009

Managing Director,
Furniture Palace Company Limited,
P. O. Box 14546,
DAR ES SALAAM.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF A PROJECT FOR MANUFACTURING OF
FURNITURE**

We wish to acknowledge receipt of your project proposal to establish a project for manufacturing of furniture presented in the TIC P.A. 1 Form No. 07735 and Feasibility Study with a projected investment of USD. 0.985m.

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

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

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

Yours sincerely,
Tanzania Investment Centre



B. D. Chonjo
For: EXECUTIVE DIRECTOR

.../2

TICC/PP.10/041665/3

19th March 2009

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

FURNITURE PALACE CO. LTD

P.O.BOX 14546, TEL: +255 786 525 727.

DAR ES SALAAM, TANZANIA.

5

REF: FPCL/TIC/02/09

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

C.C. COMMISSIONER FOR CUSTOMS AND EXCISE.
P.O.BOX 9053
DAR ES SALAAM.

31/03/2009.

DEAR SIR,



**RE: LIST OF ITEMS TO BE IMPORTED UNDER THE PROJECT WITH
TIC CERTIFICATE NO 041665.**

Please refer to the above subject, our company has been granted certificate of incentives No: 041665 for our project located at Wazo Industrial area in Dar es Salaam region (Photocopy attached).

Find below list of items that will be imported for this project under the grace of this certificate.

Thanking you in advance for your usual good co-operation and support.

Your's faithfully,
FURNITURE PALACE COMPANY LIMITED.


Amor Mohamed Salim
DIRECTOR.



FURNITURE PALACE CO. LTD

P.O.BOX 14546, TEL: +255 786 525 727.

DAR ES SALAAM, TANZANIA.

LIST OF CAPITAL GOODS TO BE IMPORTED.

1. WOOD WORK MACHINERIES / SUPPORT SERVICE.

NO	NAME	PIECES	QTY	
1	WOOD GAUGE MACHINE.	Handles Wood finishing.	50	
2	WOOD PLANNER / PROCESSING MACHINE	Cuts/Drills/Grinds Wood in uniform length.	50	
3	ROUTER MACHINE.	Cuts wood in straight line or many directions.	50	
4	SANDING MACHINE.	Polishing for a smooth surface.	50	
5	GAUGE LINE MACHINE.	Uncoils, straightens, cross-cutting to length.	30	
6	BAND SAW MACHINE.	For cutting big logs.	30	
7	GEEK SAW MACHINE.	For cutting woods in bulk.	30	
8	POWER GEEK SAW MACHINE.	For cutting wood in different sizes.	30	
9	WOOD POWER MACHINE.	Motor offers finer and faster cuts.	30	
10	JOINT WOOD POWER MACHINE.	For joing two or more woods with high pressure.	30	
11	PRESSING MACHINE.	To press boards together by high pressure.	30	
12	WELDING MACHINE.	Welding broken parts of woekshop machine.	20	
13	METAL SHARPENING MACHINE.	To sharpen edges for wood cutting machineries.	30	
14	LATHE MACHINE.	To harden wood, bend wood surface, hard wood.	30	
15	CUTTING MACHINE.	To cut different size of wooden boards or woods.	50	
16	HYDRAULIC SPLITTER MACHINE	To split product into segments of different size.	30	
17	SIDE PLANNING MACHINE.	Plains Wood Strips from all sides.	50	
18	UNIVERSAL WOOD WORK MACHINE.	Performs different woodworking operations.	50	
19	CHAIN MORTISE MACHINE.	Used for square whole operation.	50	
20	DUST COLLECTOR.	Collects dusts/Wood particles on the workshop.	20	
21	DRILLING / ADJUSTABLE MACHINE.	Used to drill holes on different sizes using bits	30	
22	POWDER FEEDER	For table saws, shapers & jointers.	20	
23	MACHINE LUBRICATORS / LUBRICANTS.	To remove roughness and joints on machinery.	50	

24	WOOD DRIER / KILN MACHINE.	To dry finished products, for hardening.	20	
25	WOOD TESTING MACHINE / INSTRUMENT	To test of quality and durability of the product.	20	
26	HYDRAULIC HACKSAW.	To cut wood in size and adjusted areas.	30	
27	TRUCKS.	To carry heavy woods and logs.	50	
28	TRAILERS.	For the trucks to carry goods.	50	
29	CANTERS.	To supply furniture to customers.	3	10
30	4WD.	For managing director and senior staff.	5	
31	4WD PICKUPS.	For operation movement.	2	7
32	FOLK LIFTS.	To load/offload goods from trucks.	10	
33	CRANES.	To handle heavy logs from trucks.	10	
34	MOTORBIKE.	For workshop business operations.	10	
35	STABILIZER.	To secure machines against power fluctuations.	50	
36	MAINTENANCE EQUIPMENT.	For servicing machines and maintenance.	50	
37	COMPRESSOR.	To spray paint to finished products.	20	
38	GENERATOR - 15KVA AND ABOVE.	For the workshops power supply.	15	
39	STAINLESS STEEL (NONDO).	For Workshop constructions.	1000	
40	CORRUGATED SHEETS (MABATI).	For Workshop constructions.	1000	
41	ELECTRIC CABLES (WIRE).	For Workshop constructions.	1000	
42	CEMENT.	For Workshop constructions.	5000	

Q.S

2. WOOD WORK EQUIPMENTS / TOOLS.

NO	NAME	PIECES	QTY	
43	AUGER BITS. —	SETS	1000	
44	CARPENTER PENCIL.	SETS	1000	
45	CARPENTER PINCER.	SETS	1000	
46	CARPENTER SQUARE AND BEVEL.	SETS	1000	
47	CARPENTER CRAMPS.	SETS	1000	
48	EXPANSIVE BITS. —	SETS	1000	
49	FLAT BITS. —	SETS	1000	
50	HAND DRILLS.	SETS	200	
51	LATHES.	SETS	100	

52	HAMMER.	SETS	500
53	MARKING GAUGE.	SETS	1000
54	MITRE BOX.	SETS	1000
55	MITRE CLAMPS.	SETS	1000
56	MITRE SAW.	SETS	500
57	HAND SAW.	SETS	500
58	NAILS.	SETS	10000
59	VICES.	SETS	1000
60	CHISELS.	SETS	1000
61	HAND TOOLS.	SETS	500
62	CABINET RASPS.	SETS	100
63	PLANES.	SETS	500
64	CARPENTER SCRATCH AWL.	SETS	500
65	CARPENTER AWL.	SETS	500
66	GLASS PAPER SHEET.	SETS	500
67	SASH CLAMP.	SETS	500
68	SMOOTHING PLANE SEALY.	SETS	1000
69	ROUTER BITS.	SETS	5000
70	GRINDER BENCH.	SETS	500
71	SUPPORTING TABLE.	SETS	50
72	SUPPORTING CUPBOARD.	SETS	50
73	STORAGE CUPBOARD.	SETS	50
74	OFFICE TABLE.	SETS	50
75	OFFICE CUPBOARD.	SETS	50
76	CONSTRUCTION TOOL.	SETS	100

3. WORKSHOP OFFICE SUPPORTING EQUIPEMENTS.

NO	NAME	DESCRIPTION	QTY
77	WORKSHOP COMPUTERS - OFFICE.	For furniture office operation/managements.	20
78	UPS MACHINE.	To stabilise workshop/office electric equipment.	30
79	FAX MACHINE.	To fax to clients and customers.	5

80	PBX MACHINE.	For office telephone operation.	3	
81	PRINTER.	Workshop printing drawing sketches.	10	
82	TELEPHONE.	For operation communication.	10	
83	COPY MACHINE.	Workshop copy facility.	5	
84	WORKSHOP CABLE.	For electric extensions and machinery cables.	50	
85	RADIO CALLS.	For security internal / external communication.	50	
86	GRILLS.	For securing workshop machinery.	20	
87	FIREARM.	For security guard.	5	
88	CAMERA / CCTV.	Surveillance camera for workshop.	30	
89	AIR CONDITION.	For the workshop office.	15	

Verified True Copy
of The Original

Signature
Date

38/03/2009
For: Executive Director
Tanzania Investment Centre



No: 00215461

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041665

This is to certify that

FURNITURE PALACE COMPANY LTD

of address P.O. BOX 14546

DAR ES SALAAM

has been granted a Certificate of Incentives to invest in a new, ~~rehabilitation/expansion~~
~~XXX XXXXX XXXXX~~ enterprise known as

FURNITURE PALACE COMPANY LTD

Which is located at PLOT NO. 51, WAZO INDUSTRIAL AREA,

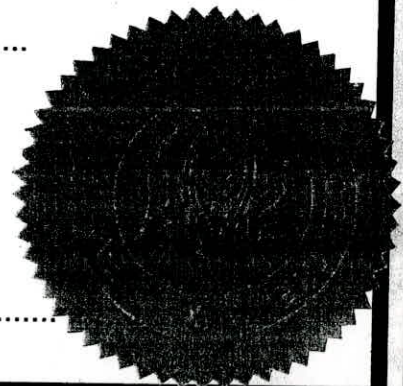
KINONDONI - DAR ES SALAAM

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 27TH MARCH 2009



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

1. Shareholders

Shareholders	Nationality	Shareholding (%)
Nasser Mohamed-Omar Alhinai	Omani	70
Amor Mohamed Salim	Tanzanian	30
2. Proposed Activities: To establish a project for manufacturing of furniture
3. Sector: Manufacturing Subsector Furniture
4. Investment cost: Foreign USD 0.591m. Local USD 0.394m. Total USD 0.985m.
5. Project Financing: Equity USD 0.591m. Loans USD 0.394m. Total USD 0.985m.
6. Source, terms and conditions of loan
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0.591m.	USD 0.394m.	USD 0.985m.
8. Technology Agreement None
9. Date of TIC Registration: 19th March 2009
10. Implementation period March 2009 - February 2012
11. Operative date March 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
Furniture are not allowed under this Certificate

Signed 
Executive Director

Signature
of The Original
Issued & Valid



No 00215461

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 041665

This is to certify that

FURNITURE PALACE COMPANY LTD

of address P.O. BOX 14546

DAR ES SALAAM

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

FURNITURE PALACE COMPANY LTD

Which is located at PLOT NO. 51, WAZO INDUSTRIAL AREA,

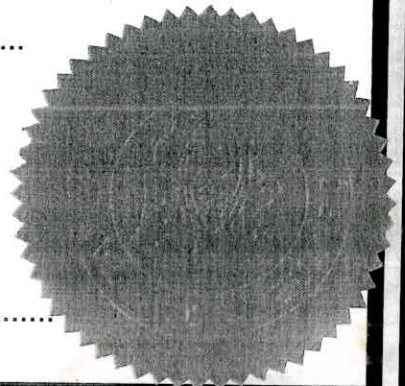
KINONDONI - DAR ES SALAAM

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 27TH MARCH 2009



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 (%) |
|-----------------------------|-------------|------------------|
| Nasser Mohamed-Omar Alhinai | Omani | 70 |
| Amor Mohamed Salim | Tanzanian | 30 |
2. Proposed Activities: To establish a project for manufacturing of furniture
3. Sector: Manufacturing Subsector: Furniture
4. Investment cost: Foreign USD 0.591m. Local USD 0.394m. Total USD 0.985m.
5. Project Financing: Equity USD 0.591m. Loans USD 0.394m. Total USD 0.985m.
6. Source, terms and conditions of loan:
7. Assets to be invested:
- | Capital items: | Foreign | Local | Total |
|----------------|-------------|-------------|-------------|
| | USD 0.591m. | USD 0.394m. | USD 0.985m. |
8. Technology Agreement: None
9. Date of TIC Registration: 19th March 2009
10. Implementation period: March 2009 - February 2012
11. Operative date: March 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
- Furniture are not allowed under this Certificate

Signed 
Executive Director

TICC/PP.10/041665/6

08/04/2009

Commissioner for Customs & Excise,
Tanzania Revenue Authority,
P.O. Box 9053,
DAR ES SALAAM

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL
GOODS OF CERTIFICATE OF INCENTIVES NO. 041665**

M/S Furniture Palace Company Limited is a TIC registered company with certificate of incentives **No. 041665** which is valid up to **February 2012**

The company has been registered with objectives of establishing a project for manufacturing of furniture.

Attached herewith please find a list of Capital/ Deemed capital Goods for Duty and VAT exemption approval.

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

Tanzania Investment Centre
9A & B Shaaban Robert Street
P. O. Box 938
DAR ES SALAAM
Tel. 022 2116328
Fax. 022 2118253
e-mail: information@tic.co.tz
Website: www.tic.co.tz

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

To: The Executive Director
Tanzania Investment Centre
P. O. Box 938
DAR ES SALAAM
Tanzania

1. ~~I~~We DIRECTOR
(director/directors/agent of FURNITURE PALACE COMPANY LIMITED
(name of business enterprise) apply for registration of TANZANIA INVESTMENT CENTRE
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 WAZO INDUSTRIAL AREA
TEGETA - 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 WAZO INDUSTRIAL AREA - D'SALAAM.
4. The Principal Officers of the Company are DIRECTORS
AMOR MOHAMMED SALIM
NASSER MOHAMMED OMAR AL HINAI
5. Auditors of the Company are AUDITOR
6. The authorized share capital of the Company is Tshs./US\$ 150,000,000/= IN
MEMORANDUM

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is ~~Tsh.~~/US\$ USD 985,000. \$

8. The month and day of the financial year end is DECEMBER

Note: *failure to provide all the required information will result in the return of the application by the Centre.*

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for ~~Tsh.~~/US\$ 100 USD Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, AMOR MOHAMED SALIM of Post Office Number 14546, D'SALAAM

do solemnly and sincerely declare that I am a director/duly authorized agent of FURNITURE PALACE COMPANY 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 25 day of FEBRUARY 2009 }

[Signature]
Applicant

Before me:

[Signature]
Commissioner for Oaths



APPLICATION SUMMARY

Company Name: FURNITURE PALACE COMPANY LIMITED

Certificate of Incorporation Number: 69052 Status: NEW

Certificate of Incorporation Date: 19th DECEMBER 2008

Post Box: 14546

Town: DAR ES SALAAM

Sector: MANUFACTURING

Sub-Sector: M. FURNITURE MANUFACTURER

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
591,000	/	/	394,000

Project Objectives: To establish a furniture company, woodworks and carpentry

Capacity:

Employment: Foreign: 5 Local: 100 Total: 105

Implementation Period: 36 MONTHS

Project Location

Site/Plot/Block No.: 51 WAZO INDUSTRIAL AREA

Street: WAZO INDUSTRIAL AREA District: KINONDONI Region: DAR ES SALAAM

Shareholders	Nationality	%
NASSER MOHAMMED	OMANI	70%
AMOR MOHAMMED	TANZANIAN	30%

Investment Breakdown ~~US\$/Tshs~~ M

Land/Building	USD 150,000 \$
Plant	USD 400,000 \$
Vehicles	USD 190,000 \$
Furniture & Fittings	USD 20,000 \$
Pre-expenses	USD 25,000 \$
Others	USD 50,000 \$
Working Capital	USD 150,000 \$
TOTAL	USD 985,000 \$

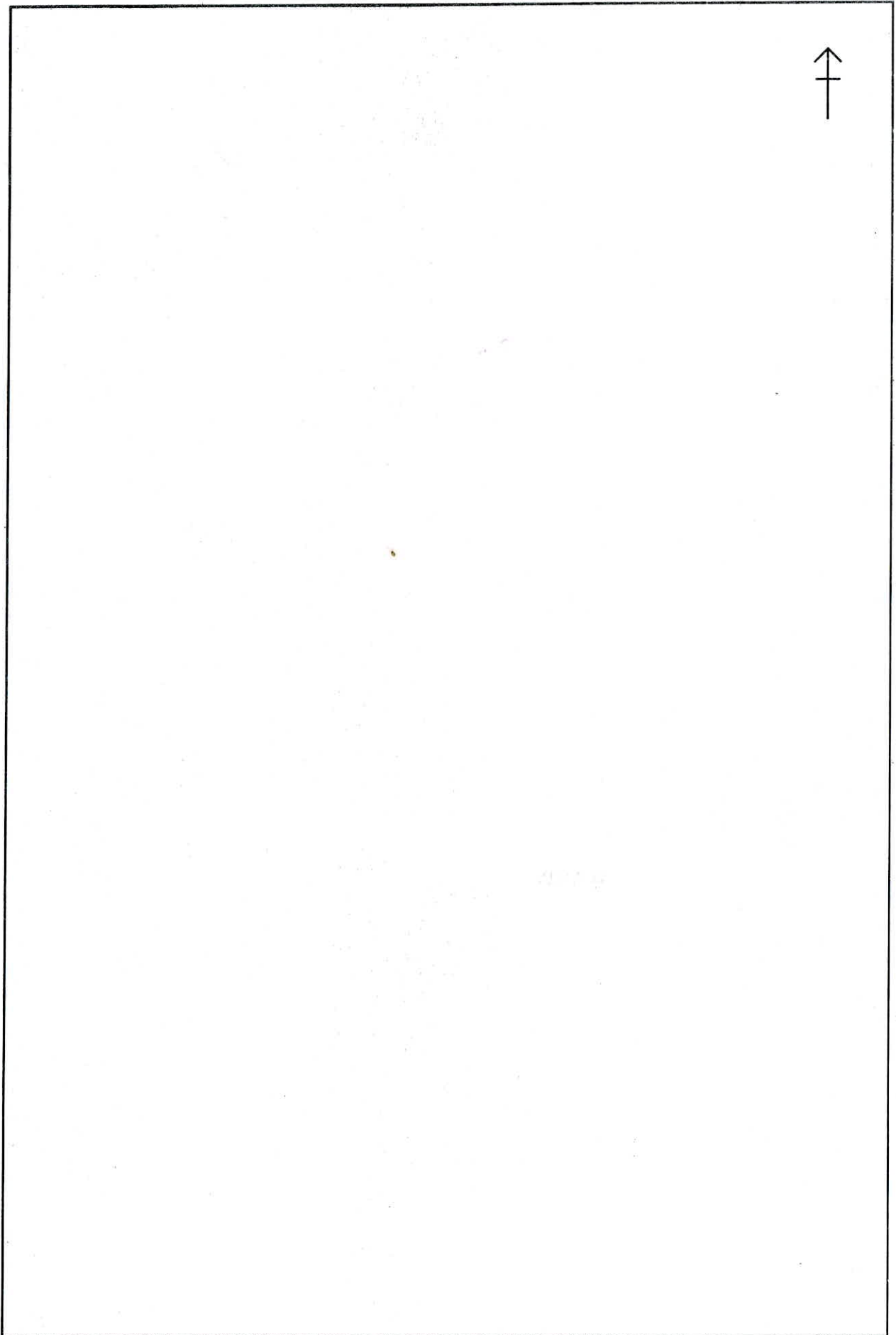
Contact Details:

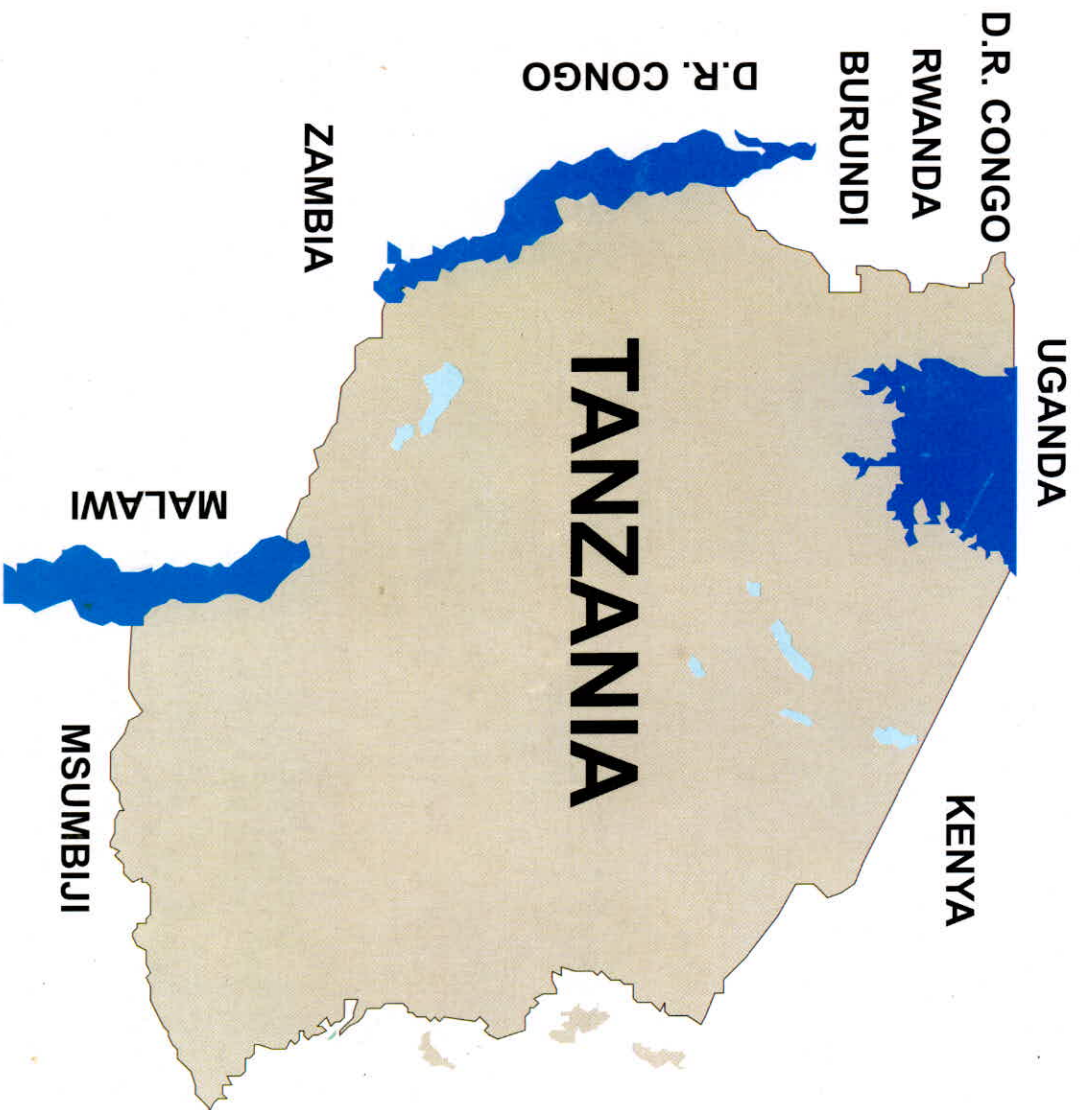
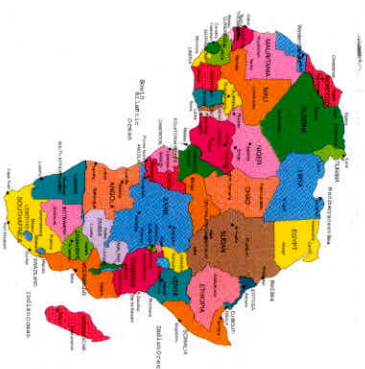
Name: AMOR MOHAMMED SALIM Title: MR. MANAGING DIRECTOR
Telephone: +255 786 525 727 Fax:
Email: AMOR_ESILY@HOTMAIL.COM

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION





FURNITURE PALACE COMPANY LIMITED

**PROPOSED PROJECT FOR MANUFACTURING
OF HIGH
QUALITY FURNITURE.**

A BUSINESS PLAN

**Presented by:
Furniture Palace Company Ltd
P.O.Box 14546
Dar es salaam.**

January 2009

TABLE OF CONTENTS

1.0 EXECUTIVE SUMMARY

- 1.1. Project Concept
- 1.2. Location
- 1.3. The Sponsors
- 1.4. Project Management
- 1.5. Raw Materials Base

2.0. AN OVERVIEW OF THE FORESTRY SECTOR IN TANZANIA

- 2.1. Forest Distribution
- 2.2. Forest Plantations
- 2.3. Natural Forest
- 2.4. Non-wood Forest Products
- 2.5. Trading Conditions and Licence Procedures for Forest Products
- 2.6. Trade in Wood and Wood Products within the Country
- 2.7. Trade in Wood and Wood Products outside the Country
- 2.8. Incentives for investors in Forestry Sector

3.0. PROJECT'S ESTIMATED CAPITAL INVESTMENT

- 3.1. Land and Building
- 3.2. Plant, machinery and Equipment
- 3.3. Motor vehicles
- 3.4. Pre-operation expenses
- 3.5. Project's Financing Plan

4.0. MARKETING ASPECTS

- 4.1. The products
- 4.2. The Markets
- 4.3. Supply Position
- 4.4. Competition
- 4.5. Distribution
- 4.6. Promotion

5.0. MANAGEMENT AND MANPOWER REQUIREMENT

- 5.1. Management
- 5.2. Manpower requirement

6.0. ASPECTS OF PROJECT SUSTAINABILITY

7.0. FINANCIAL ANALYSIS

7.1. Considerations and assumption

7.2. Financial statement

8.0. ECONOMIC ASPECTS

9.0. CONCLUSION AND RECOMMENDATIONS

1.0. EXECUTIVE SUMMARY

1.1 Project Concept

This project document presents a proposal by M/s FURNITURE PALACE COMPANY LIMITED, a locally registered company with Certificate of Incorporation No. 69052 dated 19th December 2008 seeking to establish enhanced timber utilization project which will especially utilize the locally available valuable and abundant hardwood as well as softwood. In essence, the project will involve setting up furniture making factory in Dar es salaam .This factory will be fed by raw material purchased from authorized dealers in the country.

The project will adopt state of the art furniture production technology to be imported. This feasibility study report lays down the financial and economic viability of the intended project.

1.2 Location

The headquarters of the project and the furniture manufacturing factory will be located at Plot no. 51, Block K, Wazo Industrial Area, within Kinondoni Municipality, Dar es salaam. The premises will serve as both the head office and storage yard for both finished products and raw materials.

The project will acquire some light trucks for the transportation of the raw materials to the factory and finished products to the markets.

The major products will be:

- Wood furniture and
- Sawn Timber

At a later stage, the project promoters expect to enter into the export markets where they anticipate to sell quality furniture particularly in neighbouring countries.

1.3 The Sponsors

M/s FURNITURE PALACE COMPANY LIMITED will be sponsoring this project.

The Company is jointly owned by the following shareholders.

	Name and Address of Subscribers	Number of Shares	Percent Shareholding
1	Mr. Nasser Mohamed Omair AL Hinai P.O.Box 14546, Dar Es Salaam.	70	70
2	Mr. Amor Mohamed Salim P.O.Box 14546, Dar Es Salaam.	30	30

1.4 Project Management

M/s FURNITURE PALACE COMPANY LIMITED will be under the Management of Mr. Amor Mohamed Salim who has experience of managing various businesses within and outside Tanzania.

Under his management, M/s FURNITURE PALACE COMPANY LIMITED is expected to grow steadily from its position as a small manufacturer and graduate into a large furniture manufacturer serving neighbouring states.

1.5 Raw Material Base

The enhanced timber utilization project will strictly adhere to the timber utilization policy of the country's Forestry Department of the Ministry of Natural Resources and Tourism. The company will only deal with licensed dealers who only select approved species of hardwood for harvesting and processing.

Tanzania is endowed with valuable indigenous tree species suitable for industrial wood production. These include E.A. Blackwood, ptecorapus, anglensis (mninga), African Mahogany, Pau Rosa, Mpanga panga, Muhuhu, Mhama, Mkora etc.

As stated above, the major supplying areas for this furniture manufacturing project have been identified as Handeni and Korogwe though Utete, Liwale and Ifakara districts in the Coast, Lindi and Morogoro Regions may also be approached, depending on demand from time to time.

2.0 AN OVERVIEW TO THE FORESTRY INDUSTRY IN TANZANIA.

2.1 Forest Distribution:

Tanzania is endowed with vast forest resources. The country has 33.5 million hectares of forests and woodlands (Table 1).

Table 1: Forest distribution by area and cover type.

Type of forest	Area ('000 hectares)	Percentage
Closed forests	1,400	4.18
Mangroves	115	0.34
Woodlands	31,985	95.48
Total	33,500	100.00
Used of forest land		
Net productive area	23,755	78.04
Unproductive area	9,745	21.96
Total	33,500	100.00
Legal status		
Forest reserves	13,059	38.98
Forest/woodlands within parks	2,000	5.97
Public forest lands	18,441	55.05
Total	33,500	100.00

The Forestry and Beekeeping Division is responsible for administering a total of 13 million hectares of forest reserves and 20.2 million hectares of unreserved forest resources in

general lands. These forests contain many potential wood and non-wood products and a number of outstanding scenery sites.

2.2 Forest plantations.

Tanzania has 16 plantations covering a total planted area of 80,000 hectares. Tree species planted include: **Pinus patula**, **Pinus caribaea**, **Pinus elliottii**, **Cuppressus lusitanica**, **Cedrela odorata**, **Tectona grandis**, **Terminalia** spp, **Podocarpus species**, **Juniperus procera** and various **Eucalyptus** species. Most of these plantations are mature and ready for harvesting. Table 2 presents a summary of the industrial forest plantation resources.

Table 2: Forest Plantations

SN	Plantation	Location	Major species	Area (Ha)	Estimated Allowable cut) m3
1	Shume	Lushoto-Tanga	Pines, Cypress	3,388	54,209
2	Magamba	Lushoto Tanga	Pines, Cypress, Cedar	523	8,368
3	Ukaguru	Kilosa, Morogoro	Pines	2,396	38,336
4	Rondo	Lindi	Teak, Pines	2,664	42,624
5	Matogoro	Songea, Ruvuma	Pines	1,029	16,464
6	Kawetire	Mbeya	Pines	1,764	28,224
7	Kiwira	Mbeya	Pines	2,627	42,032

8	Rubare	Kagera	Pines	285	
9	Rubya	Ukerewe, Mwanza	Pines	1,816	29,056
10	Buhindi	Mwanza	Pines	3,206	51,296
11	Meru	Arusha	Cypress, Pines, Eucalyptus	6,885	110,160
12	West Kilimanjaro	Kilimanjaro	Pines, Cypress	4,653	74,448
13	North Kilimanjaro	Kilimanjaro	Pines, Cypress	5,588	89,409
14	Longuza	Muheza, Tanga	Teak, Terminalia	1,746	27,936
15	Sao Hill	Mufindi, Iringa	Pines, Eucalyptus	40,529	648,464
16	Mtibwa	Turiani, Morogoro	Teak, Cedrela	1,773	28,369
	Total			80,508	1,288,128

2.3 Natural forests

This forests have numerous valuable indigenous tree species suitable for industrial wood production such as **Dalbergia melanoxylon** (E.A. Blackwood), **Pterocarpus angolensis** (**mninga**), **Khaya anthotheca** (African mahogany), **paurosa** etc. These species are suitable for construction timber, joinery, and furniture production, carving, flooring and general purpose construction wood.

Soft wood and hardwood plantations offer good opportunities to invest in establishment of wood based industries, which may include:

- Sawmilling (saw wood) industry
- Chipboard (Partial board) factories
- Fiberboard (Hard boards) manufacturing plants.
- Furniture and joinery woodwork
- Prefabricated structures and other industrial wood use.
- Pulp and paper industries.

The government encourages trading of manufactured and semi-manufactured wood products. With the exception of Teak (**Tectona grandis**) and Paurosa (**Swartzia madagascarensis**), export of round logs is prohibited. Other wood products that are also allowed for export include; flooring strips, Clarinet sets, Scottish pipes, wood carvings, doors, windows and Zanzibar chest.

2.4 Non- Wood Forest Products

The high biodiversity of Tanzania's natural forests offers a wide range of non-wood products such as Gum arabic from **Acacia Senegal**. The natural forests have many plants, which can produce dyes. The forests have many useful medicinal plants such as **Balanites aegyptiaca**, **Azadirachta indica** etc. The forests are a source of food. They harbour numerous species of mushrooms that have high nutrition value. Mushrooms have a very good domestic market.

The forests have useful fruit trees such as **Uapaka kirkiana**, **Vangueria infausta**, **Syzgium** species and **Tamarindus indica** just to mention a few. Fruits from these trees are delicious and have a good domestic market. **Sclerocarya birrea** (Marula) is popular for making an internationally recognized liqueur (Amalura drink), which is sold in many departmental stores in Southern Africa. One can also make juices and jams from the fruit. The nuts have high protein - rich oil. Fruits of **Adansonia digitata** are rich in vitamin C while leaves for the species, used for soups and sauces, are rich in vitamin A. Neem can be used for the production of insecticides for controlling agricultural pests.

Some of the tree species have leaves that can be used for the production of beautiful mats that can be sold on the local and export markets. Sandal wood (**Osyris compressa**) are famous for the perfume industry and have a high demand on the export market. **Trichilia emetica**, seed has potential for the manufacture of soap.

This wide range of non-wood products from the forests offers investors many options for investing in the forest sub sector.

Eco-tourism

The natural forests in Tanzania have a variety of scenic areas which are suitable for eco tourism and development of recreational sites. Some of the sites are in mountain rain forests,

coastal and riverine forests. Investors could develop recreational facilities such as lodges and hotels in exclusive natural environments.

The Eastern Arc Mountains which range from North Pare, The Usambaras, Uluguru and Udzungwa mountains and mangrove forests in Mtwara, Lindi, Coast and Tanga regions are potential sites for eco-tourism.

Sale of plants

As indicated earlier, Tanzania is endowed with high biodiversity. The natural forests have many different endemic plants which have high value on the export market. The East African Violet (Saint Paulia) for instance has commanded the flower market in Europe. Sale of plants is an area, which is yet to be fully exploited.

2.5 Trading conditions and license procedures for forest products.

The Government of Tanzania has simplified procedures for trading in wood and wood products to encourage trading in these products. In order to facilitate trading in wood and wood products, the procedures to be followed by investors and traders who wish to engage in the trade are as follows:

2.6 Trade in wood and wood products within the country

Traders in wood and wood products are expected to register with the Ministry of Natural Resources and Tourism. Any trader is expected to have a trading business licence and an Income tax Clearance certificate from Tanzania Revenue Authority. Where one has to enter into a forest reserve and fell/remove timber from the forests, it is necessary to have a licence to fell and remove timber and any other wood products from the forests from relevant forest authorities. Timber and wood products harvested from the forests must be certified by a forestry official and marked with a hammer (for the case of timber) before they are removed from the forest. The trader needs to obtain a transit pass, which allows them to move the products from the forest to the market.

2.7 Trade in wood and wood products outside the country.

Before one engages in trade on wood and wood products on the export market, it is necessary to do the following:

Complete export forms and attach the following documents;

- Copy of registration certificate for his or her company
- Business license
- Income tax Clearance

- An order from Importer
- Produce evidence of Export returns for previous years
- Be registered by the Ministry responsible for Natural Resources and Tourism.
- Obtain approval for export (each year)
- Prepare Invoice, Pay fees for grading certificate per consignment of 20 m3/tonnes and pay an additional fees for export permit issued by the Ministry of Natural Resources and Tourism

2.8 Incentives for Investors in Forestry Sector:

(a) Monetary incentives

- | | |
|---|-----|
| • Corporate tax | 30% |
| • Custom duty on capital goods | 0% |
| • Value Added Tax on capital goods | 0% |
| • Capital allowance deduction in the years of income | 50% |
| • With indefinite loss carry-forward period | |
| • Withholding tax on dividends | 10% |
| • Withholding tax on interest | 0% |
| • Free repatriation of earned income, profits and dividends | |

(b) Land lease/concession

Investment in forestry is a long-term undertaking. Consequently the National Forests Ordinance provides for long-term land lease/concession to those who wish to invest in the sub sector.

(c) Immigration quotas

Any business enterprise granted a certificate of incentives is entitled, by law, to an initial automatic maximum immigration quota of up to 5 people during the start up period. A request for additional experts can be considered upon presentation of a request to the Executive Director for Tanzania Investment Centre (TIC). Visas are issued at points of entry to Tanzania. Multiple entry visas to Tanzania are provided to investors on request and where there is evidence that it is necessary to make frequent visits to Tanzania.

3.0 PROJECT'S ESTIMATED CAPITAL INVESTMENT

The estimated capital investment cost of the project is US\$ 985,000 out of which US\$ 550,000 will be fixed investment costs. Pre-production expenditures have been budgeted at US\$ 25,000 while working capital is put at US\$ 150,000.

COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Buildings	150,000
Machinery & Equipment	400,000
Motor Vehicles	190,000
Furniture & Fixtures	20,000
Pre exp	25,000
Others	50,000
Working Capital	150,000
TOTAL	985,000

3.1 Land and Building

The headquarters of the project and factory will be located at Plot no. 51, Block K, Wazo Industrial Area, within Kinondoni Municipality, Dar es salaam. This will serve for both office accommodation and storage yard for raw materials as well as finished products.

The company intends to construct the factory building for furniture making, preferably timber sheds for housing of machinery, and sawmills. Sheds are necessary to ensure that

production is not interrupted by changes caused by weather conditions etc. There will also be construction of site offices, timber warehousing, workshops and timber houses.

The company has budgeted for US\$ 150,000 for refurbishment, partitioning and construction of new civil works structures in this plot.

3.2 Plant, Machinery and Equipment

The project intends to acquire a variety of furniture making machinery, equipment and accessories and install them at the site. The facilities that the company intends to install have advantage of incorporating state of the art technology in furniture making.

The company is already negotiating with overseas equipment suppliers and once agreements are reached such equipment will be shipped to Tanzania to enable installation and commencement of operations

Support equipment:

Edging machines:

Edging machines will be used for timber that comes off the mills that is not properly sized.

The Cross Cut Saw:

The Cross Cut Saw is specially designed for cross cutting of sawn timber. The cutting is done with the use of radial sawn. They can also be used to cut smaller square logs or cants.

Re-Saw Units:

Sometimes you may need to split thick boards into two thinner boards and here is where the use of re-saw units comes in.

Other Equipment:

Other equipment will include lift trucks, haulage trucks, electric generators, welding machines, power saws etc.

Maintenance:

The company will procure various mill tools, workshop tools etc for proper care and maintenance of mill equipment and machinery. Mill tools will include items like timber logs, lifting hooks, strapping tools and moisture meters. Workshop tools will be comprised of

items like maintenance / repair kits, grease guns, ratchets, wrenches, and pliers. Other items include screw drivers, toolboxes, vices, pressure pumps, oils and lubricants.

A total of US\$ 400,000 has been budgeted for machinery and equipment during project construction.

3.3 Motor Vehicles

Four (4) units Light Trucks will be required for the haulage of timber from the saw mills or other sources to the factory. Three (3) units of 4WD Pick Up have been budgeted for supervision, and Two (2) units minibuses for transportation of factory staff. Total estimated cost for this item is put at US\$ 190,000.

3.4 Pre-operation Expenses

This item includes items like investment studies, preparatory investigations, company formation and legal fees, initial recruitment and training of technical staff and miscellaneous pre-operation payments. The amount of US\$ 25,000 is considered sufficient for this category.

3.5 Project Financing Plan

The shareholders of this company will finance the project using 60% equity and 40% loans as shown below.

Source/Type of Financing	Foreign US\$	Local US\$
Equity (60%)	591,000	-
Loans (40%)	394,000	-

4.0 MARKETING ASPECTS

4.1 The products

The main products of the proposed project consist of a

- Wooden Furniture
- Other timber based products

4.2 The Markets

The products are for both the local and export market in neighbouring countries. As mentioned above, the promoters are well versed in the business with well established market contacts.

4.3 Supply Position

Apparently, there is limited production of furniture products of the quality targeted by the company. State of the art technology to be employed will enable the company produce very high quality furniture.

4.4 Competition

Due to the limited and insufficient supply as aforementioned, no stiff competition is foreseen. However, it must be cautioned that the targeted market is very conscious regarding quality. Hence, production of sub-standard products or selling at prohibitive prices will immediately shift customers to substitute products.

4.5 Distribution

The company expects to establish its own show rooms to facilitate distribution of its furniture. This will involve setting up of a special unit which will be provided with resources to enable it efficiently undertake the distribution function of the company. The company will also consider appointing dealers in neighbouring countries when it reaches the stage of exporting furniture to such countries

4.6 Promotion

Appropriate promotion means will be employed after consultations with promotion experts to enable the company properly promote its products to the target market.

5.0 MANAGEMENT AND MAN POWER REQUIREMENTS

5.1 Management

A Board of Directors will closely supervise the proposed projects as it has been mentioned above, Mr. Amor Mohamed Salim, one of the two directors and shareholders will be directly managing the project. The Managing Director will be assisted by properly trained managers in areas of Sales, Marketing, Finance, Administration and Production, who will together comprise the management team.

5.2 Manpower Requirements

The management team will be supported by a team of 42 local and expatriate permanent staff in various capacities. Casual laborers will also be employed on a daily or weekly payment basis.

6.0 ASPECTS OF PROJECT SUSTAINABILITY

The project sponsors having studied weather conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed with most of the timber processing operations and manufacturing of furniture being carried out at their Dar es Salaam factory. The growing demand for quality furniture locally and in neighbouring countries gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

The monitoring and evaluation tools that have been successful in other countries, will be applied in the country as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

7.0 FINANCIAL ANALYSIS

7.1 Considerations and Assumptions:

Exchange Rate

The exchange rate for the financial analysis has been taken at Tshs. 1,300 = US\$ 1.00 for all the period.

Taxation and Depreciation

The corporate tax charged is 30% of the profits. Capital investment allowance is 50% with an indefinite loss carry over period. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

Production and Revenue Assumptions.

It is assumed that the major raw material will be procured from Government licensed dealers. Furniture will be manufactured at the factory .Revenues have been conservatively estimated based on experience of the promoters and trends in the furniture and timber industry.

7.2 Financial Statements:

Project Profit and Loss Account

For projection purposes, it is assumed that the economic life of the project is five years, and that production of the different types of furniture commence from the first year of operation

REVENUE PROJECTION					
PRODUCTS	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Furniture	1,397,200	1,467,060	1,540,413	1,617,434	1,698,305
	1,397,200	1,467,060	1,540,413	1,617,434	1,698,305

Projected Cash Flows

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

1 st Year	127,701.00
2 nd Year	179,945.00
3 rd Year	234,802.00
4 th Year	292,402.00
5 th Year	351,882.00

Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$ 620,132 in the first year of operation to US\$ 779,972 in the 5th year.

1 st Year	620,132.00
2 nd Year	653,451.00
3 rd Year	691,165.00
4 th Year	733,495.00
5 th Year	779,972.00

8. ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values:

- Processing of wood products particularly manufacturing of furniture will greatly add value to wood products. At present most of wood products are mainly exported in the form of logs and timber.
- The project will involve transfer of technology in furniture manufacturing.
- The project will create employment for 42 people on permanent contract basis as well as on temporary basis.

- It will create more business opportunities to local suppliers of timber and logs, which will also have a trickledown effect in the saw milling and related forestry industries.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and royalties
- The project will earn substantial amounts of foreign exchange.

9.0 CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

PALACE FURNITURE COMPANY LTD

PROJECTED INCOME & EXPENDITURE STATEMENT

		2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Sales Revenue		1,397,200	1,467,060	1,540,413	1,617,434	1,698,305
Cost of Sales		279,440	293,412	308,083	323,487	339,661
Gross Profit		1,117,760	1,173,648	1,232,330	1,293,947	1,358,644
Operating Expenses:						
Administrative Expenses:		279,440	293,412	308,083	323,487	339,661
Motor Vehicle running expenses		176,047	184,850	194,092	203,797	213,986
Salaries and wages		340,800	357,840	375,732	394,519	414,245
Pension contribution		34,080	35,784	37,573	39,452	41,424
Depreciation		78,000	78,000	78,000	78,000	78,000
Marketing Costs		69,860	73,353	77,021	80,872	84,915
Utility costs		41,916	44,012	46,212	48,523	50,949
Insurance		38,000	39,900	41,895	43,990	46,189
Communication		18,000	18,900	19,845	20,837	22,879
Total Expenses		1,076,143	1,126,050	1,178,453	1,233,476	1,292,249
Profit before Tax		41,617	47,598	53,878	60,471	66,395
Tax (30%)		12,485	14,279	16,163	18,141	19,918
Profit After Tax		29,132	33,318	37,714	42,330	46,476

PALACE FURNITURE COMPANY LTD

PROJECTED BALANCE SHEET

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
<u>Fixed Assets</u>					
Long-term Assets	760,000	682,000	604,000	526,000	448,000
Depreciation	78,000	78,000	78,000	78,000	78,000
Total Long-term Assets	682,000	604,000	526,000	448,000	370,000
<u>Current Assets</u>					
Cash	127,701	179,945	234,802	292,402	351,882
Accounts Receivable	242,364	300,269	359,912	418,599	486,693
Total Current Assets	370,065	480,214	594,714	711,001	838,574
Total Assets	1,052,065	1,084,214	1,120,714	1,159,001	1,208,574
<u>Current Liabilities</u>					
Accounts Payable	15,578	11,736	12,323	9,939	13,586
Other Current Liabilities	22,355	25,027	23,227	21,568	21,017
Subtotal Current Liabilities	37,933	36,763	35,550	31,507	34,603
<u>Long-term Liabilities</u>					
Long-term Liabilities	394,000	394,000	394,000	394,000	394,000
Total Liabilities	431,933	430,763	429,550	425,507	428,603
Net Assets	620,132	653,451	691,165	733,495	779,972
<u>Capital and Reserves</u>					
Owners Contribution	591,000	591,000	591,000	591,000	591,000
Retained Earnings	29,132	62,451	100,165	142,495	188,972
Total Capital	620,132	653,451	691,165	733,495	779,972
	0	0	0	0	0

PALACE FURNITURE COMPANY LTD

PROJECTED CASHFLOW

		2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
CASHFLOW FROM OPERATIONS:						
Cash Sales		1,145,704	1,173,648	1,232,330	1,293,947	1,358,644
VAT Receipt		209,580	220,059	231,062	242,615	254,746
Subtotal Cash Received		1,355,284	1,393,707	1,463,392	1,536,562	1,613,390
Expenditures from Operations:						
Purchases		223,552	234,730	246,466	258,789	271,729
Additional Cash Spent		998,143	1,048,050	1,100,453	1,155,476	1,214,249
VAT payments		55,888	58,682	61,617	64,697	67,932
Subtotal Cash payment		1,277,583	1,341,462	1,408,535	1,478,962	1,553,910
CASH FROM OPERATIONS		77,701	52,245	54,857	57,600	59,480
CASH FLOW FROM INVESTMENTS:						
Purchase of Assets		- 760,000				
Working capital and pre expenses		- 75,000				
CASH FLOW FROM INVESTMENTS:		- 935,000	-	-	-	-
CASH FLOW FROM FINANCING:						
Loan		394,000				
Owners Equity Contribution		591,000				
CASH FLOW FROM FINANCING		985,000	-	-	-	-
NET CASHFLOW FOR PERIOD		127,701	52,245	54,857	57,600	59,480
CASHFLOW AT START OF YEAR		-	127,701	179,945	234,802	292,402
CASHFLOW AT THE END OF YEAR		127,701	179,945	234,802	292,402	351,882

PALACE FURNITURE COMPANY LTD**SCHEDULES AND GRAPHS****SCHEDULE 1****REVENUE PROJECTION****YEARS**

PRODUCTS	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Furniture	1,397,200	1,467,060	1,540,413	1,617,434	1,698,305
	1,397,200	1,467,060	1,540,413	1,617,434	1,698,305

SCHEDULE 2**OTHER OPERATING COSTS****YEARS**

OTHER OPERATING COST	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Motor vehicle running expenses	176,047	184,850	194,092	203,797	213,986
Salaries and wages	340,800	357,840	375,732	394,519	414,245
Pension contribution	34,080	35,784	37,573	39,452	41,424
Depreciation	78,000	78,000	78,000	78,000	78,000
Administrative expenses	279,440	293,412	308,083	323,487	339,661
Marketing Costs	69,860	73,353	77,021	80,872	84,915
Utility costs	41,916	44,012	46,212	48,523	50,949
Insurance	38,000	39,900	41,895	43,990	46,189
Interest Expense	11,820	11,820	11,820	11,820	11,820
Communication	18,000	18,900	19,845	20,837	21,879
Total costs	1,087,963	1,137,870	1,190,273	1,245,296	1,303,069

SCHEDULE 3

COST STRUCTURE	
PARTICULAR	AMOUNT USD
Land and Buildings	150,000
Machinery & Equipment	400,000
Motor Vehicles	190,000
Furniture & Fixtures	20,000
Pre exp	25,000
Others	50,000
Working Capital	150,000
TOTAL	985,000

SCHEDULE 4

FIXED ASSETS SCHEDULE					
NAME OF ASSETS	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Land and Buildings	150,000	135,000	120,000	105,000	90,000
Machinery, tools & Equipment	400,000	360,000	320,000	280,000	240,000
Motor Vehicles	190,000	171,000	152,000	133,000	114,000
Furniture & Fixtures	20,000	16,000	12,000	8,000	4,000
TOTAL	760,000	682,000	604,000	526,000	448,000
DEPRECIATION	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Land and Buildings	15,000	15,000	15,000	15,000	15,000
Machinery, tools & Equipment	40,000	40,000	40,000	40,000	40,000
Motor Vehicles	19,000	19,000	19,000	19,000	19,000
Furniture & Fixtures	4,000	4,000	4,000	4,000	4,000
ANNUAL DEPRECIATION	78,000	78,000	78,000	78,000	78,000
CLOSING FIXED ASSETS	682,000	604,000	526,000	448,000	370,000

SCHEDULE 5

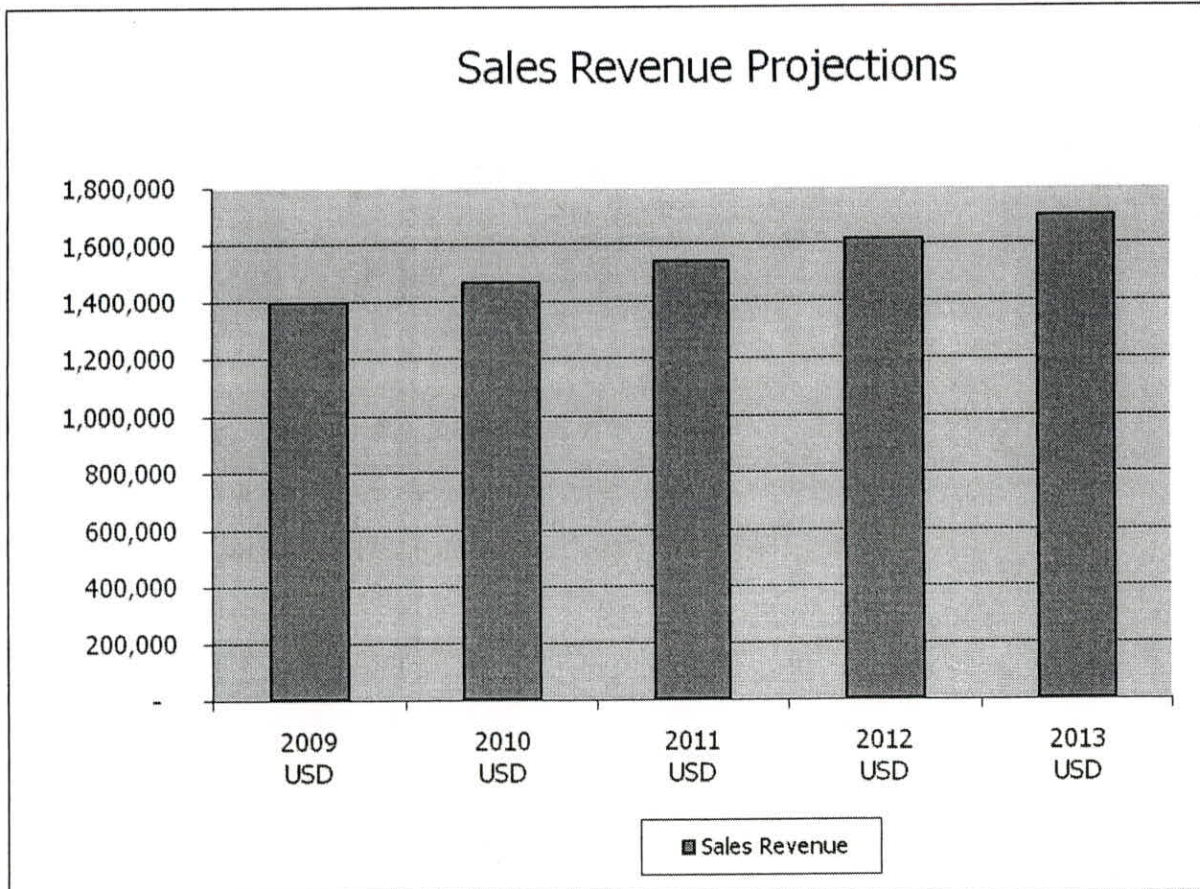
SALARIES & WAGES

NO	DEPARTMENTS/DESIGNATION	NO.	SALARY PER MONTH	SUBTOTAL MONTHLY SALARY	ANNUAL GROSS SALARY
1	Managing Director	1	3000	3000	36,000
2	Finance and Administration Manager	1	2500	2500	30,000
3	Production Manager	1	2000	2000	24,000
4	Sales and Marketing Manager	1	2000	2000	24,000
5	Marketing Officer	2	1000	2000	24,000
6	Assistant Accountants	2	1000	2000	24,000
7	Secretary	1	600	600	7,200
8	Carpenters	25	500	12500	150,000
9	Drivers	2	300	600	7,200
10	Security Guards	4	200	800	9,600
11	Office Assistant	2	200	400	4,800
	TOTAL USD \$	42	13,300	28,400	340,800

REVENUE PROJECTION

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Sales Revenue	1,397,200	1,467,060	1,540,413	1,617,434	1,698,305

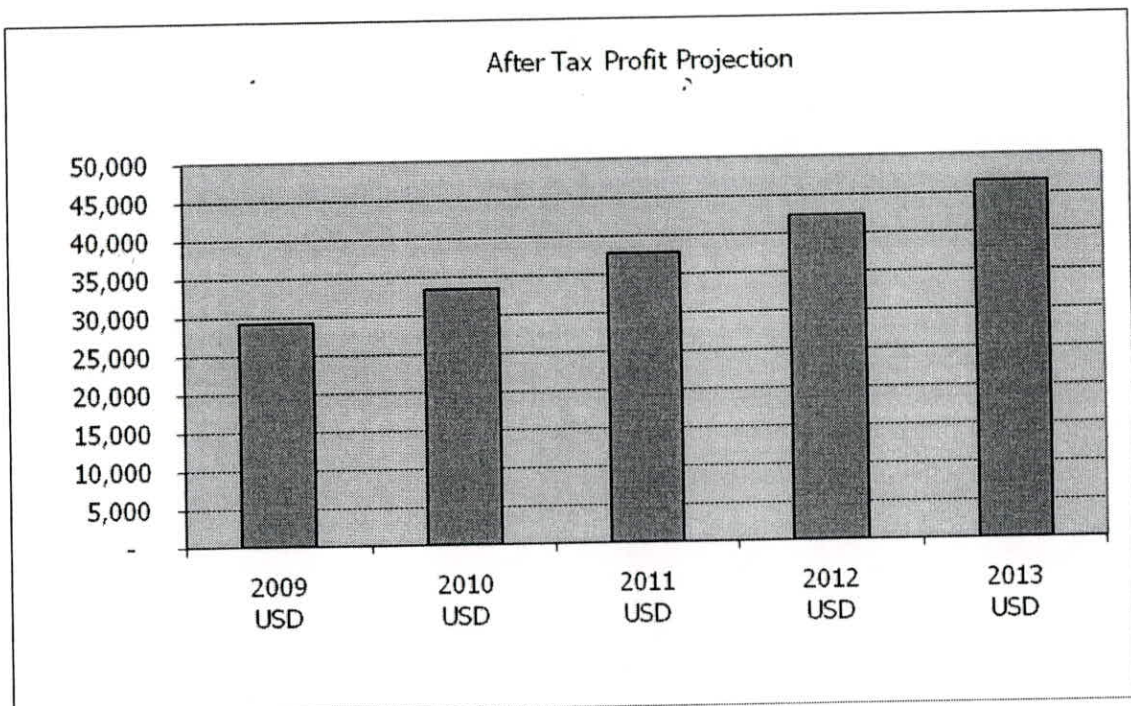
Sales Revenue Projections



PROFIT PROJECTION

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
Profit After Tax	29,132	33,318	37,714	42,330	46,476

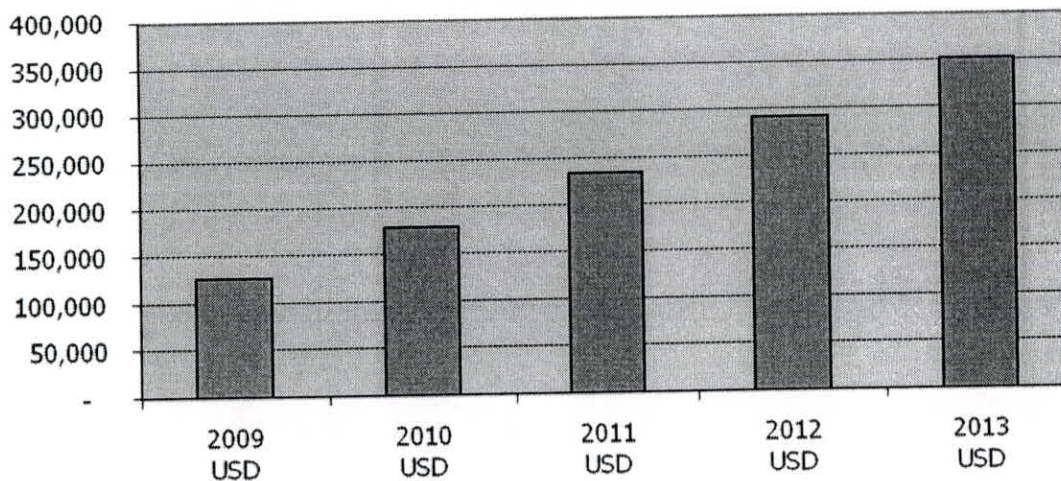
After Tax Profit Projection



CASH FLOW PROJECTION

	2009 USD	2010 USD	2011 USD	2012 USD	2013 USD
CASH FLOW AT THE END OF THE YEAR	127,701	179,945	234,802	292,402	351,882

**CASH FLOW AT THE END OF THE YEAR
PROJECTION**



THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

FURNITURE PALACE COMPANY LIMITED

Drawn by:
Amor Mohamed Salim
P.O. Box 14546
Dar es Salaam

TANZANIA

Stamp Duty Shs. 5000/-

PAID ON ORIGINAL

Receipt No. 34462924 of 19/12/08

Stamp Duty Office

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
FURNITURE PALACE COMPANY LIMITED

Stamp Duty Shs. Paid 5000/-

Receipt No. 34462924 of 19/12/08

Asstt. Registrar

1. The Name of the Company is **FURNITURE PALACE COMPANY LIMITED**
2. The Registered Office of the Company will situated in Tanzania
3. The Objects for which the Company is established are
 - (a) To carry on the business of an investment company and to invest in any commercial enterprises whether trade, manufacturing, agriculture, general supplies, tourism, transport, clearing and forwarding, road haulage, ship owners, car rentals, air freight, container operators, estate development, warehousing etc and hold shares, stocks, debentures stocks, bonds, obligations, guaranties etc. in any business or businesses
 - (b) To carry on business a manufactures process all kinds and varieties of bill boards, representatives, agents, factory of representative of manufacture, Importers distributor of all types of pharmaceuticals, medicines and during related hardware, peripherals, accessories and other pharmaceutical package in addition, all types of cleanses including disinfectants, detergents, soap, cosmetics, tooth paste and related products.
 - (c) To purchase, take on lease or by any other means acquire any movable or immovable property in Tanzania or elsewhere for any estate or interest whatever property in Tanzania or for any estate or interest whatever, buildings, offices, shops, go downs and any property, and any buildings of things whatever and perform sub-contracts and also to act in any of the business of Company through or by means of agents, brokers, sub-contractors, or others.
 - (d) To carry on the business of transporters, carriers of Goods, clearing and forwarding, warehousing, road haulage, chartering, air charter, freight, container operators, ship owners, agents for any transporters, Car Rentals, Tour Operators, and all other allied businesses related to one or all of the above.
 - (e) To undertake, transact and promote in all kinds to business agricultural, Livestock, Poultry farm, horticultural, construct, maintain, erect either by the Company or other parties, buildings, gasworks, houses, structures and or erection of any description whatsoever either upon the lands acquired by the Company or other lands and generally or alter and improve the lands generally alter and improve the lands and property of the Company.

- (f). To carry on and purchase or otherwise acquire, own, lease, import, sell, export, and deal with all materials, substance, appliances, machines, containers, and other articles or things capable of use in the aforesaid advertising business as distributors, agents, underwriters, brokers, estate agents, middleman, or whatever means as may be convenient or useful or conducive to the effective working of the said business or any part thereof.
- (g). To adopt such means of making known the business and facilities provided by the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase, and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.
- (h). To carry on the business of bookshop, gift center, stationary, secretarial, photocopy, packing, advertising, telephone and internet services, music store, video library, import and export of all general merchandise and commodities and in general to carry on any other business of the same general nature in connection with the foregoing, whether investments or otherwise, and to have and to exercise all the powers preferred by the laws of Tanzania or any other state or territory where the Company may be transiting business. Provided the latter are in harmony with or not inconsistent with for former.
- (i). To engage, manufacture, process all kinds varieties of billboards, placards, signs, television commercials, audio, visual, drama, theatrical performance, products, electronic, mechanical appliances, instruments and machines, and any all process for commercial advertisement of all kinds.
- (j). To establish, maintain and conduct a merchandise business and Business of all sort either at wholesale or retail, or both, and to establish and conduct chain stores, shop and offices for the transactions of any every kind of merchandise. To establish, maintain and conduct a general department store for the trafficking and dealing in and with, either at wholesale or retail, or both, all kinds of articles and commodities of person and household use and consumption and all manufactured and prepared goods stuffs, materials and produce. To manufacture, purchase or otherwise acquire, own, mortgage, pledged, sell assign and transfer, or otherwise dispose of, to invest, trade, deal in and deal with goods, wares and merchandise and real and personal property of every class and description.
- (k). To establish, and carry on the business of manufactures, manufacturers representatives, agents, importers and supplies of all electronics, multimedia and equipments used in modern telecommunication systems such as telephone, telex, cable, telegraph, fax, television and satellite equipments and all other necessary appliances required by customers in modern telecommunication systems.
- (i). To carry business manufactures, manufactures representatives agents, factors of representative of manufacturers, importers and suppliers / distributors of all types of pharmaceuticals, medicines and drug related hardware, peripherals, accessories and other pharmaceutical related items as well as all kinds pharmaceutical packages, in addition, all types of cleansers including disinfectants, detergents, soap, cosmetics, toothpaste and related products.

- (m). To carry on the business of manufacturing, buying, selling, dealing and trading any very kind of building materials, sanitary ware and accessories.
- (n) To carry on the business of travels agents, tourist agents contractors; hotel, apartment, inns, motel, auto-couts, loading, houses keepers and caterers; and generally to facilitate traveling and to provide for tourists provisions of accommodation, communication facilities, entertainment facilities, provisions of guiders, sage deposits, inquiry bureau, language aids, baggage transport and arranging and operating packages tours.
- (o) To establish and manage the business or business or businesses of merchants, traders, dealers and suppliers, whether wholesale or retail or agricultural implements and machinery, all kind of iron wire, iron monger, tools and machinery and to buy, sell, repair, convert, alter, let or hire, and deal in any of the foregoing goods, commodities, plants and machinery, to carry out business in timber and products and to engage generally in the business of mining, producing and selling minerals, whether or not of like class or character, including all by products of such minerals or any of them.
- (p) To carry on the business of hotel, restaurant, café, roadhouse, auto-court, motel, holiday house and apartment house keepers.
- (q) To fit and furnish any property for the purpose of letting the same to visitors or guests whether in single rooms, suites, chalets, cottages or otherwise.
- (r) To buy, sell (both to person residing on the company's premises and to non-residents), import, produce, manufacture or otherwise deal in food and food products, meat, groceries, fruits, confectionery, wine, spirits, tobacco, articles required in the said business.
- (s) To establish, manage develop and hire premises for embankment of passengers and provide services, including warehousing for passengers, telecommunications, transit motels food and refreshment facilities and all other ancillary services connected with the business of passenger transport.
- (t) To carry on the business of Safari Contractors, organizers and operators, and to equip, organize and manage hunting photographic, cinematic, game fishing, ornithological and other Safaris and expeditions of all kinds.
- (u) To establish sustain and manage the following business: Air Travel Booking Domestic and International, Hotel Booking, Tour Safaris, Holiday Planners, Hunting Safari's Mountain climbing, sight seeing, charter planes and any other activities connected there to.

- (w). To carry on at the premises owned or leased by the Company or at any other place or place in Tanzania or elsewhere all or any of the businesses or circus, concert hall, cinema, disco halls, ballroom, music hall, hippodrome and theatre proprietors or agents box office keepers, showmen, exhibitors, song music play programmers and general publishers and musical agents caterers fro public and private amusements and entertainments of every description.
- (x). To establish and run processing factory for beef, poultry , fish and other related products, operate as wholesalers and retailers of all finished products manufactured by the aforesaid factory for the service connected with the business of the Company.
- (y). To 'acquire by purchase, lease, exchange, hire , or otherwise , either for a Right of Occupancy or for any other estate, interest or tenure in land, whether in possession or in reversion , and whether vested or contingent, any lands, tenements and premises of any tenure, whether subject or not to any charges or encumbrances , and to hold or sell, let, alienate engaged charge wise deal with will any such lands, tenements or premises in the general business of Real Estates.
- (z). To erect and construct houses, buildings or works of every description on any land of the Company , or upon ant other lands or property , and to pull down, rebuild enlarge , alter and improve existing houses , buildings or works thereon, to convert and appropriate any such land into and for roads , streets , squares, gardens and pleasure grounds and other conveniences , and generally to deal with and improve the property of the Company.
- (aa). To let to lease any such premises or parts thereof and provide such Facilities for the occupiers or tenants thereof as are commonly provide in residential flats business offices or hotels.
- (bb). To carry on the business of builders, architects and surveyors, brick and the makers, lime - burners, house and estate agents.
- (cc). To win , work , convert lease and dispose of any mineral property of the Company.
- (dd). To apply for and acquire any statutory or other powers, rights or Concessions.
- (ee). To provide public or private amusements and entrainments upon any property of the Company.
- (ff). To advance money to any person or persons or corporation, either at interest or without , upon the security of any movable or immovable property by way of mortgage , or upon marketable security and in particular to advance money to shareholders in the Company , and others, up on the security of or for the purpose of enabling the person borrowing the same to erect , or purchase , or enlarge or repair any house or building , or to purchase any estate or interest in , or to take a demise for any term or terms of years of any property upon such terms and conditions as the Company may think fit.

- (gg). To undertake and carry on the office or offices and duties of trustee, custodian, trustee, executor, administrator, liquidator, receiver, committee, attorney or nominee of or for any person, Company, corporation, association, government, state, municipal, or other body politic or Corporate.
- (hh). For the purpose aforesaid to apply for and acquire and hold any charters, Acts of parliament, monopolies, licenses, concessions, patents or the rights powers or orders from the Tanzania Government and Parliament or from any other government or state, or any local or other authority in any part of the world and to exercise carry on and work any powers rights privileges so obtained and to constitute or incorporate the Company as an anonymous or other society in a foreign country or state.
- (jj). In the matters and for the purpose aforesaid to act solely or jointly with any other person, company, corporation or body as the circumstances may require.
- (kk). To carry on business as manufactures, manufacturers, representatives, agents factors of representatives or manufactures, importers and suppliers / distributors of all types of computers, computer software and hardware, its peripherals, accessories and other computer related items as well as all kinds software packages.
- (ii). To establish and manage the business or business of merchants, traders, dealers and suppliers, whether wholesale or retail, of all kind of ironware, iron monger, tools, machinery and agricultural implements and machinery and to buy, sell repair, convert, alter, let or hire, and deal in any of the Foregoing goods, commodities, plant and machinery, to carry on the business of iron founders, mechanical and electrical engineers, manufactures of agricultures of agricultural implements and other machinery, tool makers metal workers, boiler makers, millwrights, machinists, smiths, Woodworkers and builders.
- (mm). To sell, improve, manage, develop, lease, mortgage, dispose of, turn o account, or otherwise deal with all or any part of the present or future property or rights of the Company.
- (nn). To carry on the business as general merchants, universal providers, universal exports and importers, universal wholesalers and retailers of all commodities and / or goods of whatever description.
- (oo). To carry on and to undertake any business transactions or operations commonly carried on or undertaken by promoters of companies, financiers, concessionaires, contractors for public and other works capitalists, merchants or traders, and to carry on other business which may seem to the Company capable of being conveniently carried on in connection with any of its objects, or calculated, directly or indirectly to enhance the value of or render profitable by of the Company's property or rights.
- (pp). To carry on the business of oxygen-acetylene welders and cutters mechanical engineers, iron founders, tool makers, metal workers boiler makers, millwrights, machinist, iron and steel converters smiths, molders, manufacturers and contractors for machinery and implements of all descriptions, and to a buy, sell and exchange manufacture, repair, convert, alter let or hire and deal in machinery, implements, rolling stock and hardware of all kinds.

- (qq). To issue for value coupons , stamps or other vouchers to be used or issued to their customers by dealers , shop keepers ,merchants or others as cash discount for purchases and to redeem the same upon such terms as may be agreed upon in exchange for cash goods ,merchandise or otherwise.
- (rr). To apply for , hold , purchase or otherwise acquire ant patents ,brevets d'invention,lienses and like , conferring an exclusive or non – exclusive or limited right to use any secret or any other information which may seem to the Company capable of being profitably dealt with.
- (ss). To purchase plant , machinery implements ,conveniences provisions and things capable of being used in connection with the operations of or required by workmen and others employed by the Company.
- (tt). To enter into any arrangement for sharing profits, union of interest, amalgamation, joint venture , reciprocal concession or otherwise with any person or company carrying on or about to carrying on or about to carry on any business or transaction capable of being conducted so as otherwise acquire shares , debentures , and securities of any such company, and to sell hold, reissue with or without guarantee otherwise deal with the same.
- (uu). To sell or let undertaking of the Company or any part thereof for such consideration a the Company may think fit and in particular for shares. Debentures or securities of any Company.
- (vv). Generally to purchase , take on lease or in exchange hire or otherwise acquire any movable or immovable property, and any rights or privilèges which the Company may think necessary or convenient for the purpose which the Company may think necessary or convenient for the purpose of and in particular any land leases, options over lands or leases, stands, buildings, servitudes , machinery, plant and also any concessions . licesps, trade marks , and other rights in Africa or elsewhere, and either solely or jointly with others and pay therefore in cash or in stock or in shares of the company or partly in cash and partly in stock or shares or otherwise.
- (ww).To invest and deal with the moneys of the Company not immediately required upon such securities and in manner as may from time to time be determined.
- (xx). To make, accept, endorse, execute and issue promissory notes, bills of exchange, and other negotiable instruments for the purpose of the Company's business.
- (yy). To rise money in such manner as the Company shall think fit and in particular by the issue of debentures, perpetual or otherwise charged upon all any of the Company's property and rights both present and future.



- (zz). To make any sale, mortgage, lease, sub-lease, or other disposition of the undertaking in whole or in part of the property of the Company in such manner and on such terms and conditions, at such rent, for such purpose and for such consideration whether cash, share, bonds, debentures or securities of any other Company having objects altogether or in part similar or analogous to those of this Company or otherwise as may be deemed and to divide, by way of bonus or otherwise, any such considerations or in any shares, debentures or stocks held or received by this Company amongst the members of this Company.
- (aaa). To pay all the cost expenses of and incidental to the formation and registration of the Company.
- (bbb). To do all or any part of the above things in any part of the world as principals or agents, and by or through agents either alone or in conjunction with others.
- (ccc). To deal with any inappropriate shares by way of bonus compensation, sale or in any way whatsoever that may appear to be the advantage of the Company.
- (ddd). To adopt means of making known the products of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works and interest; by publication of books and periodicals and by granting prizes, rewards and donations.
- (eee). To establish and support, or aid in the establishment and support of associations / institutions, and conveniences calculated to benefit any of the employees or ex-employees of the Company, or the dependents or connections of such persons and to grant persons and dependents or to make payments towards insurance, and to subscribe, underwrite, form or guarantee money for charitable or benevolent objects or for any exhibition, or for any public, general or useful object.
- (fff). To amalgamate with any other company having objects altogether or in any part similar to those of this Company.
- (ggg). To distribute any of the property of the Company in specie among the members.
- (hhh). To do all such other things as are incidental or conducive to the attainment of the above objects.

It is hereby declared that the word "Company" save when used in reference to this clause shall be deemed to include any partnership or other body of persons, whether domiciled in East Africa or elsewhere.

4. The liability of the members is limited.

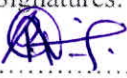
5. The share capital of Company is shillings One hundred fifty Million Thousand (150,000,000) divided into Fifteen Thousand (15,000) ordinary shares of Shillings Ten Thousand (10,000/=) each with such rights privileges or conductions as may be determined by or in accordance with the regulations of the Company and to very modify or abrogate any such rights, privileges or conditions in such manner as my for the time being be provided by he regulations or the company.

We, the several persons, whose names, address and descriptions 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 or the Company.

Name, Post Address and Occupation of Subscribers	Number of Shares takes by each Subscriber	Signature of Subscribers
NASSER MOHAMED OMAIR ALHINAI P. O. BOX 14546 DAR ES SALAAM	70	
AMOR MOHAMED SALIM P. O. BOX 14546 DAR ES SALAAM	30	

Dated this 18th Day of December 2008

WITNESSES to the above Signatures:

Signature: 

Postal Address: 71061
Dar es Salaam

Qualification: State Attorney



TANZANIA

Stamp Duty Shs. 5000/-

PAID ON ORIGINAL

Receipt No. 24462924 of 19/12/08

Stamp Duty Officer

**THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF FURNITURE PALACE
COMPANY LIMITED**

PRELIMINARY

TANZANIA

Stamp Duty Shs. 2000/- Paid

Receipt No. 24462924 of 19/12/08

Asst. Registrar of Companies

1. In the Regulation:-

The Act means The companies Act 2002 of the Laws of Tanzania.

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

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

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

The Regulations of Companies Act shall not apply to the Company, save as in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulations of the Company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:

- (a) The right to transfer shares is restricted in the manner hereinafter prescribe.
- (b) The number of the members of the Company (exclusive of persons who are in the employment of the Company and the persons who having been formerly in the employment of the Company were in such employment and have continued after the determination of such employment to be members of the Company) is limited to fifty. Provided that where two or more persons holding one or more shares in the Company jointly they shall for the purpose of this regulations be treated as a single member.
- (c) Any invitation of the public to for any shares or debentures of the company is prohibited.
- (d) The company shall not have power to issue warrants to bearers.

TRANSFER OF SHARES

3. The directors may in their absolute and uncontrolled discretion decline to register and transfer of any shares whether or not it is fully paid share and subject to the provisions of these Articles, the shares shall be under the control of directors who may allot or dispose of the same to any person or persons and at such price either at par or at premium or (subject to the such manner as they think fit with full power to give any shares at such price either at per or premium and for such time and for such consideration as the directors think fit. No transfer or a share shall be registered without the approval of the Governing Director whether or not the directors have approved such transfer.
4. Subject to Clauses 2 and 3 hereof the right of members to transfer their shares shall be restricted as follows:-
 - (a) No share shall be transferred to a member who is not a member or any person deemed by directors to be one that is undesirable in buying the shares. All share transfers that shall be confirmed by board of directors.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any shares and every or the shares to the board of directors or any member or members of the company at price to be agreed upon between the party giving such notice and the board, person representative of a deceased shareholder shall give notice in writing to the directors that he desire to make such sale or transfer. Such notice shall constitute the board of directors of the Company as his agent for the sale of the said share to any member of members of the Company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.
 - (c) Upon price of such shares being agreed on a determined as per Clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so, what maximum number of such shares. At such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase the same and as far as any be pro-rata according to the number of shares already held by them respectively, or if there be only one such shareholder, the whole of such shares shall be obliged to take more than the maximum of such shares stated in his answer to the said notice.

Upon such apportionment being made or one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer such share shall be bound upon payment of the said price to transfer shares to the respective shareholders or to the single shareholder who shall have agreed to purchase the same.

5. GENERAL MEETING: NOTE OR GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

The Regulations of the Companies Act shall apply to the following variations:

- (a) A general meetings, Ordinary or Extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a quorum.
- (c) Any Ordinary Resolution of the Company determined without any General Meeting and evidenced by writing under the hands or majority.

6. DIRECTORS

Until otherwise determined at a General Meeting the number of directors shall not be less than two and not more than six.

The following persons shall be the first directors of the Company:

NASSER MOHAMED OMAIR ALHINAI

AMOR MOHAMED SALIM

7. Every director shall have power to nominate any person to act or attend as an alternate director in his place during his absence from Tanzania and on such appointment being made the alternate director shall be subject in all respects to the terms and conditions existing with reference to the other directors and such alternate director while acting in the place of such absent director for whom he is an alternate.
8. In addition to their usual remuneration, the directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred in connection with their attendance at meetings of directors. The Company in General Meeting may fix the shareholding qualification for directors, unless and until so fixed no qualification shall be required. The directors may by power of attorney appoint any person to be the attorney, or agent of the Company for such purposes and on conditions as they determine, including authority for the attorney or agent to delegate all or any of his power.
9. A Resolution in writing signed by all directors then in Tanzania shall be valid and effectual as if it had been passed at a Meeting of directors duly called and constituted.

10. DISQUALIFICATION OF DIRECTORS

11. The Office of a director shall be vacated if the Director,
 - (a) becomes bankrupt; or
 - (b) is found to be lunatic or becomes of unsound mind; or
 - (c) resigns his office by notice in writing to the company; or
 - (d) Abstains himself from meeting of the directors for a period of six months without special leave or absence from the other directors.
12. The directors may from time to time borrow; raise money for the purpose of the Company, which may exceed the issued share capital of the Company

BORROWING POWERS

13. The directors may raise or borrow for the purpose of the Company's business any sum or sums of money as they think fit and they may secure the repayment of or raise any future, including uncalled or debentures either charged upon the whole or any part of the property and assets for the company, not charged, or such other way as the directors may think expedient.

VOTES OF MEMBERS

14. 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 authorized 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/she is the holder
15. No member shall be entitled to vote at any 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
16. No objection shall be raised to the qualification of any vote 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

ALTERNATE DIRECTOR

17. Each director may nominate a person who shall be approved in writing by the other directors to act as an alternate in his place during his absence from Tanzania or inability to act as such director. Such alternate director shall be subject in all other respects to the terms and conditions existing with reference to the directors of the Company, discharge all the duties and functions of the director being unable to act during the absence or inability to act and he may subject to the like approval of the other directors appoint a duly qualified person to act in his place

AUDIT

18. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Companies Act.

- 19 Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more property qualified Auditor or Auditors
- 20 The provision of the Act relating thereto shall regulate the appointment, power, rights, remuneration and duties or Auditors
- 21 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 or directors needs not to be in writing

The company may give any notice to a member whether personally or by sending it by post in a prepaid envelope 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 affected 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 notices may be given to him/her shall be entitled to receive any notice from the Company

SEAL

- 22 The seals shall be used the authority of the directors or of a Committee of the directors authorized by the director. The directors may satisfy by being done by or to the same person acting both as director and as or in place of the secretary

SECRETARY

- 23 The directors shall appoint the secretary for such term, at such remuneration and upon such conditions as they may think fit, and they may remove and secretary so appointed. A provision of the Companies Act or These Regulations 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

ALTERATION OR ADDITIONS

- 24 Subject to the provisions of the Act and those contained in the Memorandum of Association, the Company may by special resolution make alteration or additions to the Articles of Association any such alterations or additions made shall be as valid and effectual as if originally contained in these Articles and be subject in like manner to alterations by special resolution.

WINDING UP



- 25 With the sanction of the special resolution of the shareholders, any part of the assets of the Company including any shares in other Companies may be divided in Trustees for the benefit of members and the liquidation of the Company may be closed and the Company dissolved but so that no member shall be compelled to accept any share whereupon there is any liability.

INDEMNITY

- 26 Every director, managing director, agent, auditor, secretary and other officers for the time being of the company shall be indemnified out of the assets of the Company against any liability incurred by him/her defending any proceedings whether Civil or Criminal in which judgment is given in his favor or in which he is acquitted or is connection with any application under Sections 481 of the Act in which relief granted to him/her by the Court

ARBITRATION

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

Name, Post Address and Occupation of Subscribers	Number of Shares takes by each Subscriber	Signature of Subscribers
NASSER MOHAMED OMAIR ALHINAI P. O. BOX 14546 DAR ES SALAAM	70	
AMOR MOHAMED SALIM P. O. BOX 14546 DAR ES SALAAM	30	

Dated this 18th Day of December 2008

WITNESSES to the above Signatures:

Name: Prosper Mwanganyike

Signature: 

Postal Address: 71069, Dar es Salaam

Qualification: State Attorney

