

CHUIPANTS CO LTD

EXD

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

- (a) Minimum finance investment threshold has been exceeded, the project expects to invest US\$ 1.5m
- (b) Legal entity has been incorporated under certificate No. 68610 of 20/10/2008

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
3rd March 2009

EXD

In response to the TIC letter of registration dated 3rd March 2009

the project has submitted the required documents namely: -

- (a) Company Board Resolution.
- (b) Reference letter/Financing from Dr B Bute of Oslo Norway
- (c) Lease Agreement -> Evidence of Land

With the above submission EXD is requested to sign Certificate of Incentives No. 041647 herein attached.

2/06/09



MINUTE

PAGE NO. _____

CHUIPAINTS CO.LIMITED

DECORATIVE PAINTS MANUFACTURING PROJECT

Prepared by:
CHUIPAINTS CO. LTD
P.O. Box 79069
DAR ES SALAAM

JANUARY, 2009

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1.0 Introduction

This feasibility study report is being prepared for **M/S CHUIPAINTS CO. LIMITED** of P.O. BOX 11960 Dar es salaam, Tanzania hereinafter referred to as the company. The company undertakes to establish manufacturing facilities for decorative paints for the construction industry.

The promoters have enough financial resources (equity and bank loan) to see through the project and will make available employment opportunities to Tanzanians both directly and indirectly.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by the company. Most of the data has been compiled by the promoters' own research and study in Tanzania and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

2.0 Company Details:

Registration:

M/S CHUIPAINTS CO. LIMITED was registered with the Registrar of Companies on 20th October 2008 as a limited liability company with registration number 68010. The share capital is 500,000,000/= divided into 1,000 shares of Tsh.500,000/=

Project promoters:

The project is been promoted by **M/S CHUIPAINTS CO. LIMITED** whose shareholders as listed below:

Name of the shareholder	Nationality	Share holding (%)
Abdallah Salad Mohamed	Norwegian	51
Abdikhaliq Hassan Farah	British	14
Mohamed Salad Mohamed	Norwegian	7
Abdilqadir Ahamed Yusuf	Norwegian	7
Ali Soman Guled	Somali	7
Nasro Hassan Isse	Norwegian	7
Mohaned Farah Abdullahi	Somali	7

Project Location:

The project will be located at Plot No.66 Mikocheni Light Industrial area, Kinondoni -Dar es salaam

3.0 The Project:

M/S CHUIPAINTS CO. LIMITED undertakes to establish manufacturing facilities for decorative paints for the construction industry

Paint may be described as a liquid composition capable of being applied over a surface.

The viscosity of this liquid composition is adjusted to ease application by airless spray, brush, roller, etc. During the curing or drying process, this film becomes an impermeable, strongly protective, decorative coating. Modern paints have evolved due to an increasing demand for higher performance coatings. These paints have highly complicated compositions including four main components: the binder, the pigment, the extender, and the solvent.

Binders are the film-forming components of the paint in which the pigment and extenders are distributed. In most cases, binders produce the greatest volume of paint film and have the greatest influence on the paint characteristics (drying/curing, adhesion, hardness, strength, resistance to chemicals, etc.). Therefore, the type of binder is generally used to describe the generic type of paint.

Pigments are the small particles of solid material distributed in the paint. Pigments can be divided into two groups: anticorrosive pigments, which prevent corrosion of metals by chemical and electro-chemical means, and coloring pigments, which give permanent color and hiding capacity.

Extenders are natural or synthetic materials finely distributed in the paint. They can also be considered inert pigments. The particles have different sizes and shapes: nodular, lamellar, acicular, etc. Extenders have significant influence on the physical properties of the paint. These include the gloss, water & chemical resistance, mechanical strength and hardness, and film build of the paint.

Solvents are used principally to facilitate application. Active solvents dissolve the binder to make a solution suitable for various methods of application. Latent solvents make the coating easier to apply, control the evaporation rate, and improve the quality of the final film. Diluent solvents are used in limited quantities in conjunction with active solvents to reduce costs. Diluent solvents do not dissolve the binder.

Types of paint

Paints can be divided into three groups according to their drying or curing mechanism.

These main categories can be divided into different subgroups based on the chemical composition.

Paints within one generic group have many identical properties. Different chemical modifications give the paints specific properties.

- Physically drying paints. The drying process consists exclusively of the evaporation of solvents.
- Oxidative drying paints. The drying process combines evaporation of solvents with a chemical reaction between the oil in the paint and the oxygen in the air.
- Chemically curing paints. The drying process involves a chemical reaction between the base and a hardener. Before use the two components must be mixed properly.

M/S CHUIPAINTS CO. LIMITED is interested in venturing into this area, as they are confident on the latest technology and manufacturing process. The company is sure to process high quality decorative paints for the construction industry in the domestic market and later for the export market.

The project will create 31 permanent employment opportunities directly and many more indirectly. Many other workers will be employed on casual and need bases. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other construction products, which shall in turn lead to better economy conditions.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant. The project will thus

contribute towards the manufacturing and construction sector of the economy.

4.0 Investment Cost and Financing plan

Investment Cost

The project is estimated at US Dollars 1,500,000 to cover for the purchase of plant machinery, equipments, Motor vehicles and office furniture. Breakdown of the total investment is given here below.

Investment Cost	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	300,000	0	300,000
Plant Machinery & Equipments	800,000	100,000	900,000
Motor Vehicles	100,000	35,000	135,000
Furniture & Fittings	0	5,000	5,000
Others	0	10,000	10,000
Total Capital Cost	1,200,000	150,000	1,350,000
Working Capital	0	150,000	150,000
TOTAL PROJECT COST	1,200,000	300,000	1,500,000

Financing plan

The estimated project amount of US\$ 1,500,000 to be required over a period of five years of the project will be equally financed by shareholders' equity and loan from commercial bank as provided in the table below.

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	600,000	40.00
LOAN	900,000	60.00
TOTAL FINANCING	1,500,000	100.0

The total cost of the project has been estimated at US \$ 1,500,000 as can be seen from the above chart, majority of the expenses will be on machineries/equipments/tools and vehicles. Details of some of the plant, machinery and motor vehicles to be imported are as shown in the appendix herein attached.

Motor vehicles will be needed to transport raw materials and finished products and also for moving materials within the factory premises wherever required.

Office furniture will be bare minimum and so will be computers, Telephone lines; fax line and Internet line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to bring in enough quantity of raw materials to the site, spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The project promoters are in possession of part of the required finances also a bank loan at a low interest is will be sought. Profit obtained in early years will be made available for re-investment into the project

5.0 Product Market and Marketing strategies

Construction

According to the 2007 economic survey; the construction sector grew by 10.0 percent in 2006 compared to 10.3 percent in 2005. The growth was mainly contributed by: maintenance and rehabilitation of bridges; construction of residential houses; land development; and construction of primary and secondary schools buildings. The contribution of the sector to the GDP rose to 5.8 percent, compared to 5.6 percent in 2005.

Contractors

According to 2007 economic survey; the Contractors Registration Board (CRB) registered a total of 4,432 contractors in 2006, compared to 3,958 contractors in 2005, equivalent to an increase of 12.0 percent. Out of the total registered contractors, 122 were foreigners. Moreover, the majority of the registered contractors numbering, 3,478 were of class 6 and 7. By 2006, a total of 8,396 contractors were registered since the system of registering contractors started in 1999, compared to 7,688 contractors in 2005.

Registered Contractors in 2006

Profession	GRADE									
	I			II	III	IV	V	VI	VII	Total
	Local	Foreigners	Total							
Buildings	24	31	55	12	9	66	224	223	1283	1872
Civil Works	11	20	31	11	20	49	224	395	1014	1744
Electrical	7	8	15	2	2	19	58	28	259	383
Mechanical	5	3	8	1	1	5	9	4	35	63
Temporary Contractors	0	39	39	-	-	-	-	-	-	39
	I			II			III			
	Local	Foreigners	Total	Local	Foreigners	Total	Local	Foreigners	Total	
Special Contractors	42	21	63	31	0	31	237	0	237	331
Total										4432

Source: Ministry of Infrastructure Development

The company recognizes an enormous unmet need for gypsum ceiling material in the country. Most of these products are currently being imported from china and sold at an expensive price. Over 60% of customers surveyed recently said they were either very likely or likely to purchase these products if the products were available at good quality and low price.

This segment of the market has potential that has been untapped by any of the company's competitors in the industry. It is the project's primary target audience.

Marketing strategies

The company marketing strategy is to represent services offered by the company as the best and most logical solution to customers' needs. The promoters position the

company as the low-cost, highest quality, best value producer and provider of the decorative paints in the marketplace.

The company will use variety of marketing approaches and materials including brochures, billboards, TV and simple word of mouth.

6.0 Manufacturing sector

Sector Growth

In 2006, the manufacturing sector grew by 8.6 percent, compared to 9.0 percent in 2005. The decline in growth of the sector was caused by increase in cost of electricity and industrial oil, and transportation cost. However, the sector's contribution to GDP increased to 9.2 in 2006 percent from 9.0 percent in 2005. The increase in contribution of the sector to GDP was attributed to a substantial decline in the growth and contribution of agriculture during the year, coupled with an increase in production of cement, plastic, aluminium sheet, corrugated iron, steel iron, plastic material, textile and beverages.

In 2006, the Export Processing Zone Authority was established. Areas proposed for EPZs are in Dar es Salaam, Tanga, Mwanza, Arusha, Kilimanjaro, Morogoro, Lindi, Mtwara, Mara, Ruvuma, Kigoma, Kagera and Pwani regions.

During the same year, the government continued to implement the Small and Medium Enterprises Policy including building capacity of entrepreneurs. The Government through SIDO conducted training for 5,478 entrepreneurs and 184 instructors.

In addition, SIDO extended credit worth shs. 2.506 billion to various groups of entrepreneurs.

Cost of Production

In 2006, the cost of production in the manufacturing sector increased to shs. 2,177,611 million, from shs. 1,957,757 million in 2005, equivalent to an increase of 11.2 percent. The increase was caused by an increase in the cost of electricity, fuel for operating

industrial plants and increased transport costs. Likewise, poor infrastructure especially roads and railway networks continued to contribute substantially to the increase in the cost of production.

Production in Selected Industries

In 2006, production of corrugated iron sheets increased to 29,898 tons, from 29,737 tons in 2005, equivalent to an increase of 0.54 percent. The production of paints increased to 18,402 million litres in 2006 from 16,608 million litres in 2005 to, equivalent to an increase of 13.0 percent. Production of steel and steel products increased to 44,482 tons in 2006, from 41,299 tons in 2005 equivalent to an increase of 7.7 percent.

Production of aluminium products increased to 185 tons in 2005, from 183 tons 2006, equivalent to an increase of 1.0 percent. Production of cement increased to 1,422 million tons in 2006, from 1,375 million tons in 2005, equivalent to an increase of 3.4 percent.

In 2006, textile production increased to 108,461 million square meters, from 102,532 million square meters in 2005, equivalent to an increase of 5.7 percent. Production of sisal ropes declined to 5,854 tons from 5,943 tons in 2005, equivalent to a decrease of 1.5 percent. Fishnets production declined to 124 tons in 2006, from 274 tons in 2005, equivalent to a decrease of 54.7 percent.

In 2006, production of wheat flour increased to 421,973 tons, from 368,019 tons in 2005, equivalent to an increase of 14.6 percent. Production of biscuits and spaghetti declined from 10,912 tons in 2005, to 10,565 tons in 2006, equivalent to a decrease of 3.2 percent. Production of sugar decreased from 268,772 tons in 2005, to 164,773 tons in 2006, equivalent to a decrease of 39.0 percent. The decline in sugar production was caused by drought which adversely affected sugar cane production.

In 2006 Production of beer increased to 274,853,000 litres from 216,604,000 litres in 2005, equivalent to an increase of 11.0 percent. Similarly, the production of Kibuku brew in 2006 increased to 11,559,000 litres from 11,106,000 litres in 2005, equivalent

to an increase of 4.0 percent. Production of spirits increased to 4,982,000 litres in 2006, from 4,489,000 litres in 2005, equivalent to an increase of 11.0 percent. In 2006, production of cigarette increased to 4,800,000 million pieces, from 4,445,000 million pieces in 2005, equivalent to an increase of 8.0 percent.

7.0 Manufacturing Process & Technology:

Paint manufacture is a relatively simple batch process. Basically, this is a physical process where raw materials such as pigment, a pigment vehicle, binder, solvents and additives are mixed in quantities ranging from 1,000 litres to 20,000 litres.

This process is not capital intensive, which accounts for the low cost of entry into low technology paint manufacture. Further, plant is multi-purpose rather than specialised, which means small producers can manufacture a range of paints.

Ingredients

There are four main components in any paint formula:

- 1) Powders
- 2) Resin or Binder
- 3) Solvent or Carrier
- 4) Additives

Prime Pigments

The prime pigments contribute colour / opacity (hiding power) to the paint. The major prime pigment used in building paints is titanium dioxide or "Titan". Titanium dioxide is a white pigment and its importance is due to the fact that 85% of building paints are manufactured in white. Titanium dioxide has a high refractive index which means it bends light and hence, adds to hiding power. Titanium dioxide pigments used in paints are inorganically coated to enhance its durability and other properties for use in the paint industry. Other prime pigments are mainly used to add colour. These fall into two main groups:

Earth pigments

Earth pigments which are manufactured naturally or synthetically and tend to be relatively inexpensive.

Organic Pigments

These are manufactured by chemical processes and are bright reds and yellows. However they can be extremely expensive. They normally provide poor hiding power.

Extenders

Extenders are mainly used to modify the gloss level of paints as the more pigment in a paint film, the flatter the sheen will be. Due to the high cost of Titanium Dioxide and its fine particle size, extenders are used to lower the sheen or gloss. Extenders can also be used to add body to a paint and to increase its filling properties. The main extenders used are: Calcium Carbonate, Barytes, Talc, Diatomaceous earth.

Resin or Binder

The binder can be thought of as a glue which holds the pigments together and sticks them to the surface. Its other major function is to provide many of the physical film characteristics such as durability and flexibility.

Two distinct groups of binders exist, those that are found in oil based paints and those used in water based paints.

Solvent or Carrier

The solvent or carrier in paint serves to allow the resin and pigments to be applied to a surface. It evaporates after application and does not form part of the applied film.

In water based paints, the carrier is water. In oil based paints, the carrier is usually a turps like solvent. Due to the various types of turps like solvents which have different drying times, the solvent in oil based paints can affect the application properties and drying of the applied products.

Note:

Even though the carrier in water based paints is water, these paints resist water once the film has cured. However, they should not be applied in situations where they will be exposed to moisture immediately after application, eg. when rain or condensation are imminent.

Additives

There are many different additives used in the manufacture of paint in order to determine its final performance, characteristics. For example, Zinc Oxide is used to resist mildew, to provide UV protection, to inhibit tannin staining and to add strength to the final film. Some of the more common types of additives are:

- Fungistats: prevent the growth of mildew,
- Coalescents: help produce a uniform film (water based paints)
- Dryers Anti skin: assist in oxidation for oil based paints
- In can preservatives: prevent bacterial attack,
- Thickeners: modify viscosity, enhance application properties of water based paints,
- Wet edge additives: prevent paint from drying too quickly - water based paints,
- Surfactants: unused to maintain dispersion of powders and resins in water based paints.

8.0 Project management and Manpower requirement

The importance of well-informed promoters and professional management can never be under estimated for successful implementation of the any project. It is said that well — informed promoter and professional management can make even a not so viable project otherwise and vice-a-versa.

The core management team of the company includes executives with successful backgrounds and experience in the manufacturing industry. In total, the project will employ 31 people with various disciplines to enable smooth implementation of the

project (see table and chart below). The company's management philosophy is based on responsibility and mutual respect. The company maintains an environment and structure that encourage productivity and respect for customers and fellow employees. Additionally, the environment encourages employees to have fun by allowing creative independence and providing challenges that are realistic and rewarding.

Manpower Requirement and Emoluments

SALARIES & WAGES	NUMBER	MONTHLY PAY	MONTHS	ANNUAL PAY
Production Manager	1	1000	12	12,000
Accountant	1	350	12	4,200
Salesmen	3	200	12	7,200
Production Engineer	2	500	12	12,000
Machine operators	15	150	13	29,250
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	31	6,738	12	80,850
Add Allowances 30%		2021		24,255
Sub -Total	31	8759		105,105
GRAND TOTAL SALARIES				105,105

9.0 Project financials

Project Revenue and Profitability.

Project financial evaluation shows attractive profits which are realized right from the first year of operations. Net profit is projected to increase from \$ 57,961 in year 1, to \$ 866,322 in year 5.

Projected Cash flows:

The projected cash flow of the project reveals a health financial position throughout the 5 years under projection. Cash surplus projected to increase from \$ 19,874 in year I to \$ 630,712 in year 5. However, accumulated amounts would be available for investment /re-investment into new projects as may be found convenient by the directors

10.0 Social & Development Benefits

- **Employment creation**

As has been observed earlier this project will provide direct employment opportunities to more than 31 direct employment and many more indirectly. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country.

- **Transfer of technology**

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further more Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

- **Positive cascading impact on the nation's economy.**

This project will have overall positive impact on the society. it will not only save the

precious foreign currency reserves of the country by producing products, and by exporting the final product, but will also generate direct employment to more than 31 individuals and will provide means of livelihood to many as indirect employment. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth.

11.0 Conclusion & Recommendation:

Conclusion

M/S CHUIPAINTS CO. LIMITED undertakes to establish manufacturing facilities for decorative paints.

The foregoing discussion indicates the following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- The country will get a manufacturing unit, which will add to its scarce manufacturing base. According the 2006 Economic Survey manufacturing sectors' contribution to GDP is only 9.2% and thereby making the economy pre-dominantly agriculture oriented.
- The project will bring in latest technology in the relevant field and will ensure training or development of skilled labour force in the country. The labour force will get on —job training and will thus make them more and more competent.
- The project when implemented in full over a five year period will ensure that there will be a direct investment to the tune of US \$ 1.500,000 which is considerable by any standard.

- It will provide cascading positive impact on the economic situation in Dar es salaam and the country in general.

Recommendations

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect to avoid cost over run.

It is further recommended that TIC Certificate of Investment Incentives be granted to enable smooth implementation of the project.

**FINANCIAL STATEMENTS
AND
OTHER SCHEDULES**

CHUIPAINTS COMPANY LTD

PROJECTED PROFIT AND LOSS STATEMENTS FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Sales Revenue	985,600	1,047,200	1,164,240	1,290,366	1,354,884
Less: Cost of Sales	363,202	383,131	405,501	425,768	436,756
Gross Profit	622,398	664,069	758,739	864,598	918,128
Administration Expenses	292,347	295,048	299,251	303,164	305,585
Operating Profit	330,051	369,021	459,488	561,434	612,544
Capital & Financial Charges					
Depreciation	138,500	138,500	138,500	138,500	138,500
Loan Interest	108,750	87,000	65,250	43,500	21,750
Sub Total	247,250	225,500	203,750	182,000	160,250
Profit before Tax	82,801	143,521	255,738	379,434	452,294
Taxable Income	82,801	143,521	255,738	379,434	452,294
Tax (30%)	24,840	43,056	76,721	113,830	135,688
Profit After Tax	57,961	100,465	179,016	265,604	316,606
Profit brought Forward	0	57,961	150,504	313,045	549,716
Profit for Appropriation	57,961	158,426	329,521	578,648	866,322
APPROPRIATION ACCOUNT					
Dividends Rate	0	5%	5%	5%	5%
Amount	0	7,921	16,476	28,932	43,316
Revenue Reserve	57,961	150,504	313,045	549,716	823,006
Total	57,961	158,426	329,521	578,648	866,322

CHUIPAINTS COMPANY LTD

PROJECTED CASH FLOW STATEMENTS FOR THE PERIOD

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASHFLOW FROM OPERATIONS					
Sales	956,032	1,015,784	1,129,313	1,225,848	1,314,238
Subtotal Cash Received	956,032	1,015,784	1,129,313	1,225,848	1,314,238
Expenditures from Operations:					
Cost of Sales	363,202	383,131	355,501	425,768	436,756
Administrative expenses	314,206	335,918	371,933	412,541	438,650
Subtotal Cash payment	677,408	719,049	727,434	838,309	875,406
Cashflow From Operations	278,624	296,735	401,879	387,538	438,832
CASH FROM INVESTMENTS:					
Investments Outflow	-1,500,000				
Re-Investment					
Cash from Investment	-1,500,000	0	0	0	0
CASH FLOW FROM FINANCING:					
Owners Equity	600,000				
Bank Loan	900,000				
Interest on Loan	-108,750	-87,000	-65,250	-43,500	-21,750
Loan repayment	-150,000	-150,000	-150,000	-150,000	-150,000
Dividends	0	-7,921	-16,476	-28,932	-43,316
Cash from Financing	1,241,250	-244,921	-231,726	-222,432	-215,066
NET CASHFLOW FOR PERIOD	19,874	51,814	170,153	165,106	223,766
CASHFLOW AT START OF YEAR		19,874	71,687	241,840	406,946
CASHFLOW AT THE END OF YEAR	19,874	71,687	241,840	406,946	630,712

CHUIPAINTS COMPANY LTD
PROJECTED BALANCE SHEET FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
NON CURRENT ASSETS					
Land & Buildings	300,000	300,000	300,000	300,000	300,000
Plant Machinery & Equipments	900,000	900,000	900,000	900,000	900,000
Motor Vehicles	135,000	135,000	135,000	135,000	135,000
Furniture & Fittings	5,000	5,000	5,000	5,000	5,000
Pre operational Expenses	10,000	10,000	10,000	10,000	10,000
Total	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Less Accumulated Depreciation	138,500	277,000	415,500	419,000	557,500
Non Current Assets	1,211,500	1,073,000	934,500	931,000	792,500
CURRENT ASSETS					
Stocks	104,472	127,299	124,647	76,809	95,081
Debtors	96,855	93,163	84,854	65,172	81,293
Cash and Bank Balance	19,874	71,687	241,840	406,946	630,712
Total Current Assets	221,201	292,149	451,342	548,927	807,086
CURRENT LIABILITIES					
Creditor	21,759	9,478	13,590	16,552	15,297
Tax Payable	2,981	5,167	9,207	13,660	11,283
Total Current Liabilities	24,740	14,645	22,797	30,212	26,580
NET CURRENT ASSETS	196,461	277,504	428,545	518,716	780,506
TOTAL NET ASSETS	1,407,961	1,350,504	1,363,045	1,449,716	1,573,006
FINANCED BY					
Share Capital	600,000	600,000	600,000	600,000	600,000
Revenue Reserve	57,961	150,504	313,045	549,716	823,006
Networth	657,961	750,504	913,045	1,149,716	1,423,006
Loan	750,000	600,000	450,000	300,000	150,000
TOTAL	1,407,961	1,350,504	1,363,045	1,449,716	1,573,006

CHUIPAINTS COMPANY LTD

SCHEDULES AND TABLES

1

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	600,000	40.00
LOAN	900,000	60.00
TOTAL FINANCING	1,500,000	100.0

2

PROJECT COST SUMMARY	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	300,000	0	300,000
Plant Machinery & Equipments	800,000	100,000	900,000
Motor Vehicles	100,000	35,000	135,000
Furniture & Fittings	0	5,000	5,000
Others	0	10,000	10,000
Total Capital Cost	1,200,000	150,000	1,350,000
Working Capital	0	150,000	150,000
TOTAL PROJECT COST	1,200,000	300,000	1,500,000

DEPRECIATION & AMORTISATION SCHEDULE

GROSS FIXED ASSETS		2010	2011	2012	2013	2014
		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings		300,000	300,000	300,000	300,000	300,000
Plant Machinery & Equipments		900,000	900,000	900,000	900,000	900,000
Motor Vehicles		135,000	135,000	135,000	135,000	135,000
Furniture & Fittings		5,000	5,000	5,000	5,000	5,000
Computer and software		10,000	10,000	10,000	10,000	10,000
TOTAL		1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
ANNUAL DEPRECIATION	RATE	AMOUNT				
Land & Buildings	2%	6,000	6,000	6,000	6,000	6,000
Plant Machinery & Equipments	12.50%	112,500	112,500	112,500	112,500	112,500
Motor Vehicles	12.50%	16,875	16,875	16,875	16,875	16,875
Furniture & Fittings	12.50%	625	625	625	625	625
Computer and software	25%	2,500	2,500	2,500	2,500	2,500
Total Annual Depreciation		138,500	138,500	138,500	138,500	138,500
Accumulated Depreciation		138,500	277,000	415,500	419,000	557,500
NET FIXED ASSETS		1,211,500	1,073,000	934,500	931,000	792,500

LOAN REPAYMENT SCHEDULE		2010	2011	2012	2013	2014
ITEM		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Opening Balance		900,000	750,000	600,000	450,000	300,000
Repayments		150,000	150,000	150,000	150,000	150,000
Closing Balance		750,000	600,000	450,000	300,000	150,000
Interest (15%p.annum)	14.5%	108,750	87,000	65,250	43,500	21,750
Total Annual Payment		258,750	237,000	215,250	193,500	171,750

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SALARIES & WAGES	NUMBER	MONTHLY PAY	MONTHS	ANNUAL PAY
Production Manager	1	1000	12	12,000
Accountant	1	350	12	4,200
Salesmen	3	200	12	7,200
Production Engineer	2	500	12	12,000
Machine operators	15	150	13	29,250
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	31	6,738	12	80,850
Add Allowances 30%		2021		24,255
Sub -Total	31	8759		105,105
GRAND TOTAL SALARIES				105,105

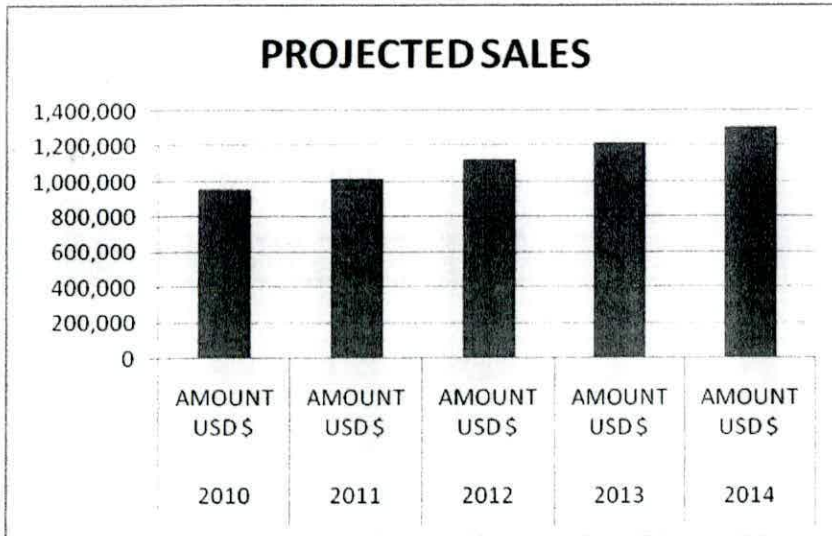
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REVENUE ESTIMATES	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
Daily installed Capacity	1100	1350	1600	1750	1800
Annual working Days	320	320	320	320	320
Annual Installed Capacity Litre	352,000	352,000	352,000	352,000	352,000
Production Target %ageof Capacity	80%	85%	90%	95%	95%
Planned Production Litres	281,600	299,200	316,800	334,400	334,400
Planned Extraction Recovery Rate 0.250%	0.00225	0.00225	0.00225	0.00225	0.00225
Average Price per Litres Us\$	3.50	3.50	3.68	3.86	4.05
Planned Revenue Export Sales Us\$	985,600	1,047,200	1,164,240	1,290,366	1,354,884
VAT 20%	20%	20%	20%	20%	20%
Value of Tax Us\$	197,120	209,440	232,848	258,073	270,977
Net Sales Revenue	985,600	1,047,200	1,164,240	1,290,366	1,354,884

ADMINISTRATION EXPENSES		2010	2011	2012	2013	2014
ITEM		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages		105,105	105,105	105,105	105,105	105,105
Nssf		10,511	10,511	10,511	10,511	10,511
Insurance		90,000	90,000	90,000	90,000	90,000
Audit Fees		15,000	15,000	15,500	15,500	15,500
Telephone Fax Charges		2,654	2,787	2,926	3,072	3,226
Printing & Stationery		2,655	2,735	2,817	2,901	2,988
Travelling Expenses		5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses		22,950	23,639	24,348	25,078	25,830
Marketing & Advertising	1%	9,856	10,472	11,642	12,904	12,904
Director's Housing Rent		6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)		2,660	2,660	2,760	2,760	2,860
Uniforms		500	500	500	600	600
Miscellaneous Expenses		14,528	15,254	16,017	16,818	17,659
Management Fees(3%Turnover)		4,928	5,236	5,821	6,452	6,774
Total Admin Expenses		292,347	295,048	299,251	303,164	305,585

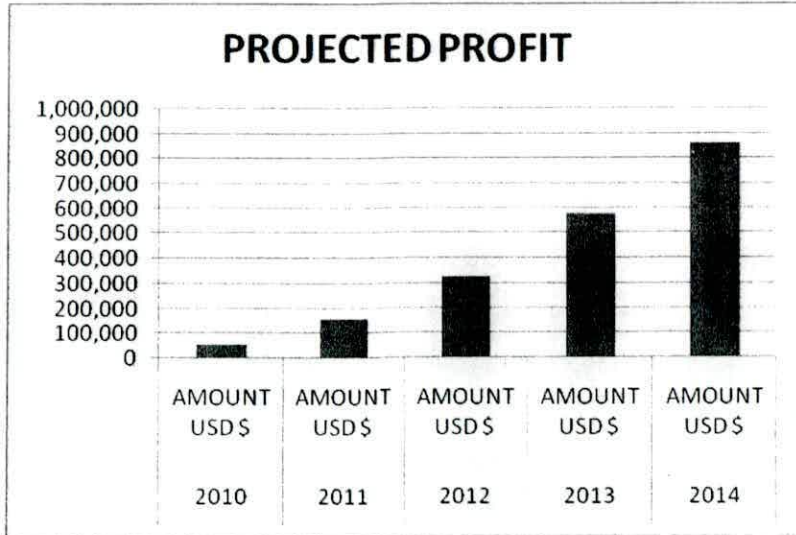
PROJECTED SALES

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
SALES	956,032	1,015,784	1,129,313	1,225,848	1,314,238



PROJECTED PROFIT

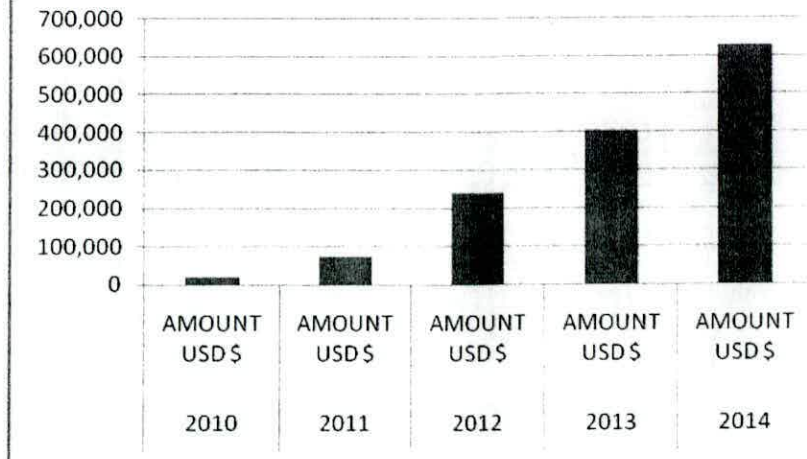
	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
PROFIT	57,961	158,426	329,521	578,648	866,322



CASH FLOW PROJECTION

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASH FLOW	19,874	71,687	241,840	406,946	630,712

PROJECTED CASH FLOW



CHUIPAINTS CO.LIMITED

DECORATIVE PAINTS MANUFACTURING PROJECT

Prepared by:
CHUIPAINTS CO. LTD
P.O. Box 79069
DAR ES SALAAM

JANUARY, 2009

CHUIPAINTS CO.LIMITED

DECORATIVE PAINTS MANUFACTURING PROJECT

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JANUARY, 2009

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1.0 Introduction

This feasibility study report is being prepared for **M/S CHUIPAINTS CO. LIMITED** of P.O. BOX 11960 Dar es salaam, Tanzania hereinafter referred to as the company. The company undertakes to establish manufacturing facilities for decorative paints for the construction industry.

The promoters have enough financial resources (equity and bank loan) to see through the project and will make available employment opportunities to Tanzanians both directly and indirectly.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by the company. Most of the data has been compiled by the promoters' own research and study in Tanzania and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

2.0 Company Details:

Registration:

M/S CHUIPAINTS CO. LIMITED was registered with the Registrar of Companies on 20th October 2008 as a limited liability company with registration number 68010. The share capital is 500,000,000/= divided into 1,000 shares of Tsh.500,000/=

Project promoters:

The project is been promoted by **M/S CHUIPAINTS CO. LIMITED** whose shareholders as listed below:

Name of the shareholder	Nationality	Share holding (%)
Abdallah Salad Mohamed	Norwegian	51
Abdikhaliq Hassan Farah	British	14
Mohamed Salad Mohamed	Norwegian	7
Abdilqadir Ahamed Yusuf	Norwegian	7
Ali Soman Guled	Somali	7
Nasro Hassan Isse	Norwegian	7
Mohaned Farah Abdullahi	Somali	7

Project Location:

The project will be located at Plot No.66 Mikocheni Light Industrial area, Kinondoni -Dar es salaam

3.0 The Project:

M/S CHUIPAINTS CO. LIMITED undertakes to establish manufacturing facilities for decorative paints for the construction industry

Paint may be described as a liquid composition capable of being applied over a surface.

The viscosity of this liquid composition is adjusted to ease application by airless spray, brush, roller, etc. During the curing or drying process, this film becomes an impermeable, strongly protective, decorative coating. Modern paints have evolved due to an increasing demand for higher performance coatings. These paints have highly complicated compositions including four main components: the binder, the pigment, the extender, and the solvent.

Binders are the film-forming components of the paint in which the pigment and extenders are distributed. In most cases, binders produce the greatest volume of paint film and have the greatest influence on the paint characteristics (drying/curing, adhesion, hardness, strength, resistance to chemicals, etc.). Therefore, the type of binder is generally used to describe the generic type of paint.

Pigments are the small particles of solid material distributed in the paint. Pigments can be divided into two groups: anticorrosive pigments, which prevent corrosion of metals by chemical and electro-chemical means, and coloring pigments, which give permanent color and hiding capacity.

Extenders are natural or synthetic materials finely distributed in the paint. They can also be considered inert pigments. The particles have different sizes and shapes: nodular, lamellar, acicular, etc. Extenders have significant influence on the physical properties of the paint. These include the gloss, water & chemical resistance, mechanical strength and hardness, and film build of the paint.

Solvents are used principally to facilitate application. Active solvents dissolve the binder to make a solution suitable for various methods of application. Latent solvents make the coating easier to apply, control the evaporation rate, and improve the quality of the final film. Diluent solvents are used in limited quantities in conjunction with active solvents to reduce costs. Diluent solvents do not dissolve the binder.

Types of paint

Paints can be divided into three groups according to their drying or curing mechanism.

These main categories can be divided into different subgroups based on the chemical composition.

Paints within one generic group have many identical properties. Different chemical modifications give the paints specific properties.

- Physically drying paints. The drying process consists exclusively of the evaporation of solvents.
- Oxidative drying paints. The drying process combines evaporation of solvents with a chemical reaction between the oil in the paint and the oxygen in the air.
- Chemically curing paints. The drying process involves a chemical reaction between the base and a hardener. Before use the two components must be mixed properly.

M/S CHUIPAINTS CO. LIMITED is interested in venturing into this area, as they are confident on the latest technology and manufacturing process. The company is sure to process high quality decorative paints for the construction industry in the domestic market and later for the export market.

The project will create 31 permanent employment opportunities directly and many more indirectly. Many other workers will be employed on casual and need bases. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other construction products, which shall in turn lead to better economy conditions.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant. The project will thus

contribute towards the manufacturing and construction sector of the economy.

4.0 Investment Cost and Financing plan

Investment Cost

The project is estimated at US Dollars 1,500,000 to cover for the purchase of plant machinery, equipments, Motor vehicles and office furniture. Breakdown of the total investment is given here below.

Investment Cost	2009 AMOUNT USD \$	2010 AMOUNT USD \$	TOTAL AMOUNT USD \$
Land & Buildings	300,000	0	300,000
Plant Machinery & Equipments	800,000	100,000	900,000
Motor Vehicles	100,000	35,000	135,000
Furniture & Fittings	0	5,000	5,000
Others	0	10,000	10,000
Total Capital Cost	1,200,000	150,000	1,350,000
Working Capital	0	150,000	150,000
TOTAL PROJECT COST	1,200,000	300,000	1,500,000

Financing plan

The estimated project amount of US\$ 1,500,000 to be required over a period of five years of the project will be equally financed by shareholders' equity and loan from commercial bank as provided in the table below.

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	600,000	40.00
LOAN	900,000	60.00
TOTAL FINANCING	1,500,000	100.0

The total cost of the project has been estimated at US \$ 1,500,000 as can be seen from the above chart, majority of the expenses will be on machineries/equipments/tools and vehicles. Details of some of the plant, machinery and motor vehicles to be imported are as shown in the appendix herein attached.

Motor vehicles will be needed to transport raw materials and finished products and also for moving materials within the factory premises wherever required.

Office furniture will be bare minimum and so will be computers, Telephone lines; fax line and Internet line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to bring in enough quantity of raw materials to the site, spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The project promoters are in possession of part of the required finances also a bank loan at a low interest is will be sought. Profit obtained in early years will be made available for re-investment into the project

5.0 Product Market and Marketing strategies

Construction

According to the 2007 economic survey; the construction sector grew by 10.0 percent in 2006 compared to 10.3 percent in 2005. The growth was mainly contributed by: maintenance and rehabilitation of bridges; construction of residential houses; land development; and construction of primary and secondary schools buildings. The contribution of the sector to the GDP rose to 5.8 percent, compared to 5.6 percent in 2005.

Contractors

According to 2007 economic survey; the Contractors Registration Board (CRB) registered a total of 4,432 contractors in 2006, compared to 3,958 contractors in 2005, equivalent to an increase of 12.0 percent. Out of the total registered contractors, 122 were foreigners. Moreover, the majority of the registered contractors numbering, 3,478 were of class 6 and 7. By 2006, a total of 8,396 contractors were registered since the system of registering contractors started in 1999, compared to 7,688 contractors in 2005.

Registered Contractors in 2006

Profession	GRADE									
	I			II	III	IV	V	VI	VII	Total
	Local	Foreigners	Total							
Buildings	24	31	55	12	9	66	224	223	1283	1872
Civil Works	11	20	31	11	20	49	224	395	1014	1744
Electrical	7	8	15	2	2	19	58	28	259	383
Mechanical	5	3	8	1	1	5	9	4	35	63
Temporary Contractors	0	39	39	-	-	-	-	-	-	39
	I			II			III			
	Local	Foreigners	Total	Local	Foreigners	Total	Local	Foreigners	Total	
Special Contractors	42	21	63	31	0	31	237	0	237	331
Total										4432

Source: Ministry of Infrastructure Development

The company recognizes an enormous unmet need for gypsum ceiling material in the country. Most of these products are currently being imported from china and sold at an expensive price. Over 60% of customers surveyed recently said they were either very likely or likely to purchase these products if the products were available at good quality and low price.

This segment of the market has potential that has been untapped by any of the company's competitors in the industry. It is the project's primary target audience.

Marketing strategies

The company marketing strategy is to represent services offered by the company as the best and most logical solution to customers' needs. The promoters position the

company as the low-cost, highest quality, best value producer and provider of the decorative paints in the marketplace.

The company will use variety of marketing approaches and materials including brochures, billboards, TV and simple word of mouth.

6.0 Manufacturing sector

Sector Growth

In 2006, the manufacturing sector grew by 8.6 percent, compared to 9.0 percent in 2005. The decline in growth of the sector was caused by increase in cost of electricity and industrial oil, and transportation cost. However, the sector's contribution to GDP increased to 9.2 in 2006 percent from 9.0 percent in 2005. The increase in contribution of the sector to GDP was attributed to a substantial decline in the growth and contribution of agriculture during the year, coupled with an increase in production of cement, plastic, aluminium sheet, corrugated iron, steel iron, plastic material, textile and beverages.

In 2006, the Export Processing Zone Authority was established. Areas proposed for EPZs are in Dar es Salaam, Tanga, Mwanza, Arusha, Kilimanjaro, Morogoro, Lindi, Mtwara, Mara, Ruvuma, Kigoma, Kagera and Pwani regions.

During the same year, the government continued to implement the Small and Medium Enterprises Policy including building capacity of entrepreneurs. The Government through SIDO conducted training for 5,478 entrepreneurs and 184 instructors.

In addition, SIDO extended credit worth shs. 2.506 billion to various groups of entrepreneurs.

Cost of Production

In 2006, the cost of production in the manufacturing sector increased to shs. 2,177,611 million, from shs. 1,957,757 million in 2005, equivalent to an increase of 11.2 percent. The increase was caused by an increase in the cost of electricity, fuel for operating

industrial plants and increased transport costs. Likewise, poor infrastructure especially roads and railway networks continued to contribute substantially to the increase in the cost of production.

Production in Selected Industries

In 2006, production of corrugated iron sheets increased to 29,898 tons, from 29,737 tons in 2005, equivalent to an increase of 0.54 percent. The production of paints increased to 18,402 million litres in 2006 from 16,608 million litres in 2005 to, equivalent to an increase of 13.0 percent. Production of steel and steel products increased to 44,482 tons in 2006, from 41,299 tons in 2005 equivalent to an increase of 7.7 percent.

Production of aluminium products increased to 185 tons in 2005, from 183 tons 2006, equivalent to an increase of 1.0 percent. Production of cement increased to 1,422 million tons in 2006, from 1,375 million tons in 2005, equivalent to an increase of 3.4 percent.

In 2006, textile production increased to 108,461 million square meters, from 102,532 million square meters in 2005, equivalent to an increase of 5.7 percent. Production of sisal ropes declined to 5,854 tons from 5,943 tons in 2005, equivalent to a decrease of 1.5 percent. Fishnets production declined to 124 tons in 2006, from 274 tons in 2005, equivalent to a decrease of 54.7 percent.

In 2006, production of wheat flour increased to 421,973 tons, from 368,019 tons in 2005, equivalent to an increase of 14.6 percent. Production of biscuits and spaghetti declined from 10,912 tons in 2005, to 10,565 tons in 2006, equivalent to a decrease of 3.2 percent. Production of sugar decreased from 268,772 tons in 2005, to 164,773 tons in 2006, equivalent to a decrease of 39.0 percent. The decline in sugar production was caused by drought which adversely affected sugar cane production.

In 2006 Production of beer increased to 274,853,000 litres from 216,604,000 litres in 2005, equivalent to an increase of 11.0 percent. Similarly, the production of Kibuku brew in 2006 increased to 11,559,000 litres from 11,106,000 litres in 2005, equivalent

to an increase of 4.0 percent. Production of spirits increased to 4,982,000 litres in 2006, from 4,489,000 litres in 2005, equivalent to an increase of 11.0 percent. In 2006, production of cigarette increased to 4,800,000 million pieces, from 4,445,000 million pieces in 2005, equivalent to an increase of 8.0 percent.

7.0 Manufacturing Process & Technology:

Paint manufacture is a relatively simple batch process. Basically, this is a physical process where raw materials such as pigment, a pigment vehicle, binder, solvents and additives are mixed in quantities ranging from 1,000 litres to 20,000 litres.

This process is not capital intensive, which accounts for the low cost of entry into low technology paint manufacture. Further, plant is multi-purpose rather than specialised, which means small producers can manufacture a range of paints.

Ingredients

There are four main components in any paint formula:

- 1) Powders
- 2) Resin or Binder
- 3) Solvent or Carrier
- 4) Additives

Prime Pigments

The prime pigments contribute colour / opacity (hiding powder) to the paint. The major prime pigment used in building paints is titanium dioxide or "Titan". Titanium dioxide is a white pigment and its importance is due to the fact that 85% of building paints are manufactured in white. Titanium dioxide has a high refractive index which means it bends light and hence, adds to hiding power. Titanium dioxide pigments used in paints are inorganically coated to enhance its durability and other properties for use in the paint industry. Other prime pigments are mainly used to add colour. These fall into two main groups:

Earth pigments

Earth pigments which are manufactured naturally or synthetically and tend to be relatively inexpensive.

Organic Pigments

These are manufactured by chemical processes and are bright reds and yellows. However they can be extremely expensive. They normally provide poor hiding power.

Extenders

Extenders are mainly used to modify the gloss level of paints as the more pigment in a paint film, the flatter the sheen will be. Due to the high cost of Titanium Dioxide and its fine particle size, extenders are used to lower the sheen or gloss. Extenders can also be used to add body to a paint and to increase its filling properties. The main extenders used are: Calcium Carbonate, Barytes, Talc, Diatomaceous earth.

Resin or Binder

The binder can be thought of as a glue which holds the pigments together and sticks them to the surface. Its other major function is to provide many of the physical film characteristics such as durability and flexibility.

Two distinct groups of binders exist, those that are found in oil based paints and those used in water based paints.

Solvent or Carrier

The solvent or carrier in paint serves to allow the resin and pigments to be applied to a surface. It evaporates after application and does not form part of the applied film.

In water based paints, the carrier is water. In oil based paints, the carrier is usually a turps like solvent. Due to the various types of turps like solvents which have different drying times, the solvent in oil based paints can affect the application properties and drying of the applied products.

Note:

Even though the carrier in water based paints is water, these paints resist water once the film has cured. However, they should not be applied in situations where they will be exposed to moisture immediately after application, eg. when rain or condensation are imminent.

Additives

There are many different additives used in the manufacture of paint in order to determine its final performance, characteristics. For example, Zinc Oxide is used to resist mildew, to provide UV protection, to inhibit tannin staining and to add strength to the final film. Some of the more common types of additives are:

- Fungistats: prevent the growth of mildew,
- Coalescents: help produce a uniform film (water based paints)
- Dryers Anti skin: assist in oxidation for oil based paints
- In can preservatives: prevent bacterial attack,
- Thickeners: modify viscosity, enhance application properties of water based paints,
- Wet edge additives: prevent paint from drying too quickly - water based paints,
- Surfactants: unused to maintain dispersion of powders and resins in water based paints.

8.0 Project management and Manpower requirement

The importance of well-informed promoters and professional management can never be under estimated for successful implementation of the any project. It is said that well — informed promoter and professional management can make even a not so viable project otherwise and vice-a-versa.

The core management team of the company includes executives with successful backgrounds and experience in the manufacturing industry. In total, the project will employ 31 people with various disciplines to enable smooth implementation of the

project (see table and chart below). The company's management philosophy is based on responsibility and mutual respect. The company maintains an environment and structure that encourage productivity and respect for customers and fellow employees. Additionally, the environment encourages employees to have fun by allowing creative independence and providing challenges that are realistic and rewarding.

Manpower Requirement and Emoluments

SALARIES & WAGES	NUMBER	MONTHLY PAY	MONTHS	ANNUAL PAY
Production Manager	1	1000	12	12,000
Accountant	1	350	12	4,200
Salesmen	3	200	12	7,200
Production Engineer	2	500	12	12,000
Machine operators	15	150	13	29,250
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	31	6,738	12	80,850
Add Allowances 30%		2021		24,255
Sub -Total	31	8759		105,105
GRAND TOTAL SALARIES				105,105

9.0 Project financials

Project Revenue and Profitability.

Project financial evaluation shows attractive profits which are realized right from the first year of operations. Net profit is projected to increase from \$ 57,961 in year 1, to \$ 866,322 in year 5.

Projected Cash flows:

The projected cash flow of the project reveals a health financial position throughout the 5 years under projection. Cash surplus projected to increase from \$ 19,874 in year I to \$ 630,712 in year 5. However, accumulated amounts would be available for investment /re-investment into new projects as may be found convenient by the directors

10.0 Social & Development Benefits

- **Employment creation**

As has been observed earlier this project will provide direct employment opportunities to more than 31 direct employment and many more indirectly. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country.

- **Transfer of technology**

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further more Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

- **Positive cascading impact on the nation's economy.**

This project will have overall positive impact on the society. it will not only save the

precious foreign currency reserves of the country by producing products, and by exporting the final product, but will also generate direct employment to more than 31 individuals and will provide means of livelihood to many as indirect employment. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth.

11.0 Conclusion & Recommendation:

Conclusion

M/S CHUIPAINTS CO. LIMITED undertakes to establish manufacturing facilities for decorative paints.

The foregoing discussion indicates the following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- The country will get a manufacturing unit, which will add to its scarce manufacturing base. According the 2006 Economic Survey manufacturing sectors' contribution to GDP is only 9.2% and thereby making the economy predominantly agriculture oriented.
- The project will bring in latest technology in the relevant field and will ensure training or development of skilled labour force in the country. The labour force will get on —job training and will thus make them more and more competent.
- The project when implemented in full over a five year period will ensure that there will be a direct investment to the tune of US \$ 1.500,000 which is considerable by any standard.

- It will provide cascading positive impact on the economic situation in Dar es salaam and the country in general.

Recommendations

Provided all other economic factors remain substantially the same, it is strongly recommended that the project be implemented with immediate effect to avoid cost over run.

It is further recommended that TIC Certificate of Investment Incentives be granted to enable smooth implementation of the project.

**FINANCIAL STATEMENTS
AND
OTHER SCHEDULES**

CHUIPAINTS COMPANY LTD

PROJECTED PROFIT AND LOSS STATEMENTS FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Sales Revenue	985,600	1,047,200	1,164,240	1,290,366	1,354,884
Less: Cost of Sales	363,202	383,131	405,501	425,768	436,756
Gross Profit	622,398	664,069	758,739	864,598	918,128
Administration Expenses	292,347	295,048	299,251	303,164	305,585
Operating Profit	330,051	369,021	459,488	561,434	612,544
Capital & Financial Charges					
Depreciation	138,500	138,500	138,500	138,500	138,500
Loan Interest	108,750	87,000	65,250	43,500	21,750
Sub Total	247,250	225,500	203,750	182,000	160,250
Profit before Tax	82,801	143,521	255,738	379,434	452,294
Taxable Income	82,801	143,521	255,738	379,434	452,294
Tax (30%)	24,840	43,056	76,721	113,830	135,688
Profit After Tax	57,961	100,465	179,016	265,604	316,606
Profit brought Forward	0	57,961	150,504	313,045	549,716
Profit for Appropriation	57,961	158,426	329,521	578,648	866,322
APPROPRIATION ACCOUNT					
Dividends Rate	0	5%	5%	5%	5%
Amount	0	7,921	16,476	28,932	43,316
Revenue Reserve	57,961	150,504	313,045	549,716	823,006
Total	57,961	158,426	329,521	578,648	866,322

CHUIPAINTS COMPANY LTD

PROJECTED CASH FLOW STATEMENTS FOR THE PERIOD

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASHFLOW FROM OPERATIONS					
Sales	956,032	1,015,784	1,129,313	1,225,848	1,314,238
Subtotal Cash Received	956,032	1,015,784	1,129,313	1,225,848	1,314,238
Expenditures from Operations:					
Cost of Sales	363,202	383,131	355,501	425,768	436,756
Administrative expenses	314,206	335,918	371,933	412,541	438,650
Subtotal Cash payment	677,408	719,049	727,434	838,309	875,406
Cashflow From Operations	278,624	296,735	401,879	387,538	438,832
CASH FROM INVESTMENTS:					
Investments Outflow	-1,500,000				
Re-Investment					
Cash from Investment	-1,500,000	0	0	0	0
CASH FLOW FROM FINANCING:					
Owners Equity	600,000				
Bank Loan	900,000				
Interest on Loan	-108,750	-87,000	-65,250	-43,500	-21,750
Loan repayment	-150,000	-150,000	-150,000	-150,000	-150,000
Dividends	0	-7,921	-16,476	-28,932	-43,316
Cash from Financing	1,241,250	-244,921	-231,726	-222,432	-215,066
NET CASHFLOW FOR PERIOD	19,874	51,814	170,153	165,106	223,766
CASHFLOW AT START OF YEAR		19,874	71,687	241,840	406,946
CASHFLOW AT THE END OF YEAR	19,874	71,687	241,840	406,946	630,712

CHUIPAINTS COMPANY LTD
PROJECTED BALANCE SHEET FOR THE PERIOD

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
NON CURRENT ASSETS					
Land & Buildings	300,000	300,000	300,000	300,000	300,000
Plant Machinery& Equipments	900,000	900,000	900,000	900,000	900,000
Motor Vehicles	135,000	135,000	135,000	135,000	135,000
Furniture & Fittings	5,000	5,000	5,000	5,000	5,000
Pre operational Expenses	10,000	10,000	10,000	10,000	10,000
Total	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Less Accumulated Depreciation	138,500	277,000	415,500	419,000	557,500
Non Current Assets	1,211,500	1,073,000	934,500	931,000	792,500
CURRENT ASSETS					
Stocks	104,472	127,299	124,647	76,809	95,081
Debtors	96,855	93,163	84,854	65,172	81,293
Cash and Bank Balance	19,874	71,687	241,840	406,946	630,712
Total Current Assets	221,201	292,149	451,342	548,927	807,086
CURRENT LIABILITIES					
Creditor	21,759	9,478	13,590	16,552	15,297
Tax Payable	2,981	5,167	9,207	13,660	11,283
Total Current Liabilities	24,740	14,645	22,797	30,212	26,580
NET CURRENT ASSETS	196,461	277,504	428,545	518,716	780,506
TOTAL NET ASSETS	1,407,961	1,350,504	1,363,045	1,449,716	1,573,006
FINANCED BY					
Share Capital	600,000	600,000	600,000	600,000	600,000
Revenue Reserve	57,961	150,504	313,045	549,716	823,006
Networth	657,961	750,504	913,045	1,149,716	1,423,006
Loan	750,000	600,000	450,000	300,000	150,000
TOTAL	1,407,961	1,350,504	1,363,045	1,449,716	1,573,006

CHUIPAINTS COMPANY LTD

SCHEDULES AND TABLES

1

FINANCING PLAN	AMOUNT	PERCENT
EQUITY	600,000	40.00
LOAN	900,000	60.00
TOTAL FINANCING	1,500,000	100.0

2

PROJECT COST SUMMARY	2009	2010	TOTAL
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings	300,000	0	300,000
Plant Machinery & Equipments	800,000	100,000	900,000
Motor Vehicles	100,000	35,000	135,000
Furniture & Fittings	0	5,000	5,000
Others	0	10,000	10,000
Total Capital Cost	1,200,000	150,000	1,350,000
Working Capital	0	150,000	150,000
TOTAL PROJECT COST	1,200,000	300,000	1,500,000

DEPRECIATION & AMORTISATION SCHEDULE

GROSS FIXED ASSETS		2010	2011	2012	2013	2014
		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Land & Buildings		300,000	300,000	300,000	300,000	300,000
Plant Machinery & Equipments		900,000	900,000	900,000	900,000	900,000
Motor Vehicles		135,000	135,000	135,000	135,000	135,000
Furniture & Fittings		5,000	5,000	5,000	5,000	5,000
Computer and software		10,000	10,000	10,000	10,000	10,000
TOTAL		1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
ANNUAL DEPRECIATION	RATE	AMOUNT				
Land & Buildings	2%	6,000	6,000	6,000	6,000	6,000
Plant Machinery & Equipments	12.50%	112,500	112,500	112,500	112,500	112,500
Motor Vehicles	12.50%	16,875	16,875	16,875	16,875	16,875
Furniture & Fittings	12.50%	625	625	625	625	625
Computer and software	25%	2,500	2,500	2,500	2,500	2,500
Total Annual Depreciation		138,500	138,500	138,500	138,500	138,500
Accumulated Depreciation		138,500	277,000	415,500	419,000	557,500
NET FIXED ASSETS		1,211,500	1,073,000	934,500	931,000	792,500

LOAN REPAYMENT SCHEDULE		2010	2011	2012	2013	2014
ITEM		AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Opening Balance		900,000	750,000	600,000	450,000	300,000
Repayments		150,000	150,000	150,000	150,000	150,000
Closing Balance		750,000	600,000	450,000	300,000	150,000
Interest (15%p.annum)	14.5%	108,750	87,000	65,250	43,500	21,750
Total Annual Payment		258,750	237,000	215,250	193,500	171,750

5

SALARIES & WAGES	NUMBER	MONTHLY PAY	MONTHS	ANNUAL PAY
Production Manager	1	1000	12	12,000
Accountant	1	350	12	4,200
Salesmen	3	200	12	7,200
Production Engineer	2	500	12	12,000
Machine operators	15	150	13	29,250
Drivers	5	200	12	12,000
Secretary	1	150	12	1,800
Watchmen	4	50	12	2,400
	31	6,738	12	80,850
Add Allowances 30%		2021		24,255
Sub -Total	31	8759		105,105
GRAND TOTAL SALARIES				105,105

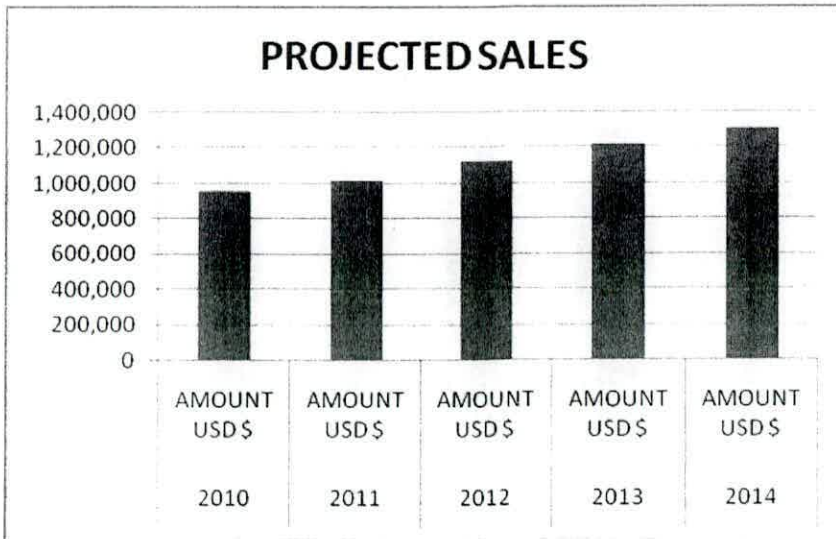
6

REVENUE ESTIMATES	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
ITEM					
Daily installed Capacity	1100	1350	1600	1750	1800
Annual working Days	320	320	320	320	320
Annual Installed Capacity Litre	352,000	352,000	352,000	352,000	352,000
Production Target %ageof Capacity	80%	85%	90%	95%	95%
Planned Production Litres	281,600	299,200	316,800	334,400	334,400
Planned Extraction Recovery Rate 0.250%	0.00225	0.00225	0.00225	0.00225	0.00225
Average Price per Litres Us\$	3.50	3.50	3.68	3.86	4.05
Planned Revenue Export Sales Us\$	985,600	1,047,200	1,164,240	1,290,366	1,354,884
VAT 20%	20%	20%	20%	20%	20%
Value of Tax Us\$	197,120	209,440	232,848	258,073	270,977
Net Sales Revenue	985,600	1,047,200	1,164,240	1,290,366	1,354,884

ADMINISTRATION EXPENSES	2010	2011	2012	2013	2014
ITEM	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
Salaries & Wages	105,105	105,105	105,105	105,105	105,105
Nssf	10,511	10,511	10,511	10,511	10,511
Insurance	90,000	90,000	90,000	90,000	90,000
Audit Fees	15,000	15,000	15,500	15,500	15,500
Telephone Fax Charges	2,654	2,787	2,926	3,072	3,226
Printing & Stationery	2,655	2,735	2,817	2,901	2,988
Travelling Expenses	5,000	5,150	5,305	5,464	5,628
Motor Vehicle Running Expenses	22,950	23,639	24,348	25,078	25,830
Marketing & Advertising 1%	9,856	10,472	11,642	12,904	12,904
Director's Housing Rent	6,000	6,000	6,000	6,000	6,000
Government I Fees(Permits)	2,660	2,660	2,760	2,760	2,860
Uniforms	500	500	500	600	600
Miscellaneous Expenses	14,528	15,254	16,017	16,818	17,659
Management Fees(3%Turnover)	4,928	5,236	5,821	6,452	6,774
Total Admin Expenses	292,347	295,048	299,251	303,164	305,585

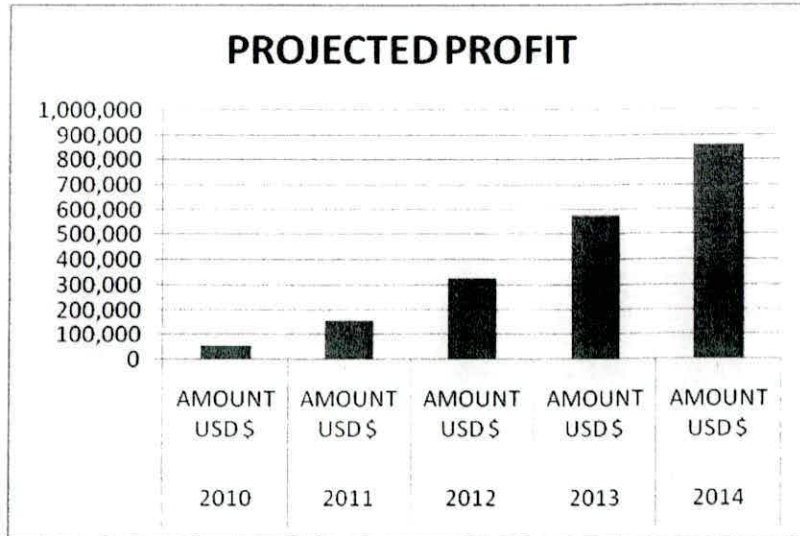
PROJECTED SALES

	2010	2011	2012	2013	2014
	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$	AMOUNT USD \$
SALES	956,032	1,015,784	1,129,313	1,225,848	1,314,238



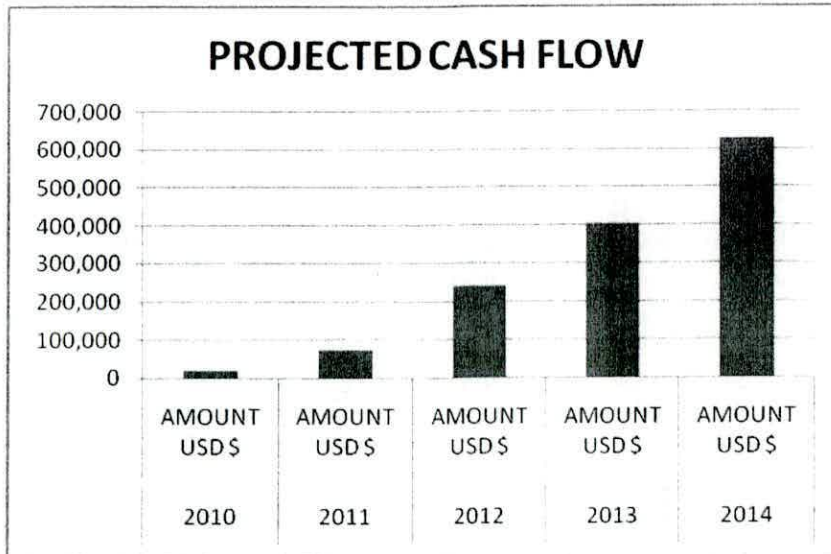
PROJECTED PROFIT

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
PROFIT	57,961	158,426	329,521	578,648	866,322



CASH FLOW PROJECTION

	2010 AMOUNT USD \$	2011 AMOUNT USD \$	2012 AMOUNT USD \$	2013 AMOUNT USD \$	2014 AMOUNT USD \$
CASH FLOW	19,874	71,687	241,840	406,946	630,712



3

TICC/PP.10/041647/2

3 March 2009

Managing Director,
Chui Paints Co. Limited,
P.O. Box 79069,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF FACILITIES FOR MANUFACTURING OF
DECORATIVE PAINTS**

We wish to acknowledge receipt of your project proposal to manufacture decorative paints as presented in the TIC P.A. 1 Form No. 07726 and Feasibility Study with a projected investment of USD 1.5 m.

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

- Bank Reference for equity funding or a letter from Bank/Financial Institution indicating that a loan is granted or is under consideration as required by Section 17 (3) (f) of Tanzania Investment Act, 1997.
- Certified document showing evidence of Land ownership for the location of the project.

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

.../2

TICC/PP.10/041647/2

3 March 2009

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

Yours sincerely,

Tanzania Investment Centre



B. D. Chonjo

For: Executive Director

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

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

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



TIC Evaluation Report

Name of the Company
Chupaints Co. Ltd.

Post Box	Mikocheni Light Industrial Area Plot No. 66	COI Number	68010	Contact	Mr. Mahamud I. Hash
Post Office	79069	COI Date	20/10/2008	Designation	Agent
Region	Dar Es Salaam	Application F. No	07726	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0754 305 460
		Sub Sector	Decorative Paints	Fax	0
		File No	041647	E-Mail Address	0

Project Location		Investment Finance Plan in Millions USD										
Plot/Block	Plot No. 66	<table border="1"> <thead> <tr> <th>Foreign Equity</th> <th>Local Equity</th> <th>Foreign Loan</th> <th>Local Loan</th> </tr> </thead> <tbody> <tr> <td>0.6</td> <td>0</td> <td>0.9</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0.6	0	0.9	0		
Foreign Equity	Local Equity		Foreign Loan	Local Loan								
0.6	0		0.9	0								
Street	Mikocheni Light Industrial Area											
District	Kinondoni											
Region	Dar es Salaam											

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	Plant
Mohamed F. Abdullahi	Somalian	7	0.3	0.9
Nasro H. Isse	Norwegian	7	0.135	0.005
Ali S. Guled	Somalian	7	0	0.01
Abdilqadir A. Yusuf	Norwegian	7	0.15	
Mohamed S. Mohamed	Norwegian	7	1.5	
Abdikhalik H. Farah	British	14		
Abdallah S. Mohamed	Norwegian	51		

Employment	31	Evaluated By	Zakaria kingu
Capacity	one plant	Drawn By	Sarah Registry
Project Turn Over			

Description

To establish facilities for manufacturing of decorative paints

Recommendations

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

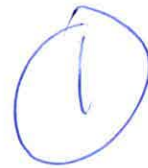
Decision

Approved

Ag EXD

26/02/09

CHUIPAINTS CO.LIMITED
P.O. BOX 79069
DAR ES SALAAM



Date: 10th February, 2009

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

RE: APPLICATION FOR CERTIFICATE OF INCENTIVES

We are a locally registered company wishing to establish a project for manufacturing of decorative paints to be located at *Plot No. 66, Mikocheni Light Industrial area, Kinondoni -Dar es salaam*

We hereby apply for project approval/Certificate of Incentives to enable us undertake the envisaged project.

Enclosed herein please find;

- 3 copies of Business plan
- Certificate of Incorporation
- Memorandum and Articles of association
- P.A 1 form duly filed
- Board resolution
- Bank reference letter
- Certified copy of lease agreement for the location of the project

We hope our request will be considered and acted upon at your earliest convenience.

Yours sincerely,
CHUIPAINTS CO. LIMITED

.....
MANAGING DIRECTOR

CHUIPAINTS CO.LIMITED
P.O. BOX 79069
DAR ES SALAAM

BOARD RESOLUTION
EXTRACT FROM EXTRA ORDINARY BOARD MEETING
HELD ON 20TH DECEMBER, 2008 IN DAR ES SALAAM

ATTENDANCE

All Company Directors attended the meeting as scheduled

AGENDA

Deliberate on the investment potential in Tanzania
Others

OPENNING OF MEETING

The chairman declared the meeting open at 10:00a.m

RESOLUTIONS

- It was resolved to establish a project for manufacturing of decorative paints to be located at *Plot No. 66, Mikocheni Light Industrial area, kinondoni -Dar es salaam*
- To register the project with TIC in order to obtain Certificate of Incentives to enable smooth implementation of the project

CLOSURE OF THE MEETING

There being no other business for discussion the Chairman closed the meeting at around 12:40 p.m


.....
MANAGING DIRECTOR
CHUIPAINTS CO. LIMITED



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 MAHAMUD IBRAHIM HASH
.....
(director/directors/agent of CHUIPANTS COMPANY LIMITED
.....
(name of business enterprise) apply for registration of CERTIFICATE OF INCENTIVES
.....
under Section 17 of the Act and Part IV of the Investment Regulations, 2002.
2. The registered office of the company will be situated at PLOT NO. 66 MIKOCHEMI
LIGHT INDUSTRIAL AREA, KINONDONI - DAR ES SALAAM.
.....
Copies of the following documents are attached to this application:
 - (i) The Memorandum and Articles of Association/or partnership agreement
 - (ii) Certificate of Incorporation/Registration
 - (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
 - (iv) Evidence of financing and evidence of land ownership for the project
3. The Head Office of the Company will be situated at PLOT NO. 66 MIKOCHEMI LIGHT
IND. AREA, KIN-DSM.
.....
4. The Principal Officers of the Company are ABDALLAH S. MOHAMED, ABDIKHALIQ H-
FARAH, MOHAMED S. MOHAMED, ABDILQADIR A. YUSUF, ALI S. CHULED,
NASRO H. ISSE AND MOHAMED F. ABDULLAH.
.....
5. Auditors of the Company are TO BE APPOINTED
.....
6. The authorized share capital of the Company is Tshs./US\$ 500,000,000/=
.....

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,500,000
8. The month and day of the financial year end is 31st DEC

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

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

I, MAHAMUD I. HASHI of Post Office Number 79069 D'SALAAM

do solemnly and sincerely declare that I am a director/duly authorized agent of CHUIPAINTS 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 23rd day of February, 2009 } *[Signature]*

[Signature]
 Applicant

Before me:

[Signature]
 Commissioner for Oaths



APPLICATION SUMMARY

Company Name: CHUPAINTS COMPANY LIMITED

Certificate of Incorporation Number: 68010 Status: NEW

Certificate of Incorporation Date: 20th OCT 2008

Post Box: 79069

Town: D'SALAAH

Sector: MANUFACTURING

Sub-Sector: DECORATIVE PAINTS

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>600,000</u>		<u>900,000</u>	

Project Objectives: TO ESTABLISH MANUFACTURING FACILITIES FOR DECORATIVE PAINTS FOR THE CONSTRUCTION INDUSTRY.

Capacity: 1 PLANT.

Employment: Foreign: 5 Local: 26 Total: 31

Implementation Period: 5 YEARS.

Project Location

Site/Plot/Block No.: PLOT NO. 66

Street: MIKOCHENI LIGHT INDUSTRIAL AREA District: KINONDONI Region: D'SALAAH

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>ABDALLAH S. MOHAMED</u>	<u>NORWEGIAN</u>	<u>51</u>
<u>ABDIKHALIQ H. FARAH</u>	<u>BRITISH</u>	<u>14</u>
<u>MOHAMED S. MOHAMED</u>	<u>NORWEGIAN</u>	<u>7</u>
<u>ABDILQADIR A. YUSUF</u>	<u>NORWEGIAN</u>	<u>7</u>
<u>ALI S. GULED</u>	<u>SOMALI</u>	<u>7</u>
<u>NASRO H. ISSE</u>	<u>NORWEGIAN</u>	<u>7</u>
<u>MOHAMED P. ABDULLAH</u>	<u>SOMALI</u>	<u>7</u>

Investment Breakdown US\$/Tshs.M

Land/Building	300,000
Plant	900,000
Vehicles	135,000
Furniture & Fittings	5000
Pre-expenses	
Others	10,000
Working Capital	150,000
TOTAL	1,500,000

Contact Details:

Name: MAHAMUD -I- HASH

Title: AGENT

Telephone: 0754 305 460

Fax:

Email:

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





THE COMPANIES ACT, 2002

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

CHUIPAINTS CO. LIMITED

Incorporated at thisday of.....2008

DRAWN BY:
A. H. FARAH
(SUBSCRIBER)
P.O. BOX 11960
DAR ES SALAAM.

**I CERTIFY THAT THIS
IS A TRUE COPY OF THE
ORIGINAL DOCUMENT in**

14 folios.
A.H.

A.H.



THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
CHUIPAINTS CO. LIMITED

TANZANIA

Paid

2500/-

Stamp Duty 500/- of 13/10/08

332855/13/10/08
Registrar of Companies

5000/-
332855/13/10/08
Registrar of Companies

1. The name of the company "CHUIPAINTS CO LIMITED"
2. The Registered office of the Company will be situated in Tanzania.
3. The objects for which the Company is established are:-
 - (a) To carry on business of paint factory including packaging of similar item, general traders, importers, and exporters of building materials, hardware, bricks, tiles, corrugated iron, metal materials, machines and materials for road, rail making and other related equipments for building purposes of all kinds.
 - (b) To establish workshops for training of heavy duty construction equipment handling and safety measures, high of construction equipment, construction labour and general advisory services.
 - (c) To engage and or carry on the business of general civil works, engineering, buildings, road constructions renovations, office partitioners, decoratories, maintainers of dilapidated buildings, plumbing, furniture manufactures, suppliers and exporters, residential and office furnishers and general to be designers and fabricators of all kinds of gadgets whatsoever, to be timber processors, sawmillers and suppliers of all kinds of timber to be hardware and building materials suppliers, manufactures of electrical equipments and suppliers.
 - (d) To carry on the business of management of all kind of construction works and construction management, property management, real estate and any related works thereto.
 - (e) To carry on the business of building contractors, masonry and general construction contractors and among other things to construct, execute, carry out, equip, improve, work and advertise railways, tramways, docks harbours, sharves, canals, water-courses, irrigations, reclamations, sewage, drainage and other sanitary works, water, gas, electric and other supply works, houses building and erections of every kind.
 - (f) To carry on the business of real estate agents, property managers, and realty administrators of buildings, services of letting or valuation, builders, contractors for construction works, renovation, decoration and demolition and to purchase otherwise acquire land for houses, offices, workshops and building premises.
 - (g) To carry on the business of importers, exporters provisional merchants, stockists, wholesalers, retailers, buyers, sellers and dealers in all types of agricultural machinery, implements and equipments, plants and machinery, buses, motor cars, trucks spare parts, tyres and tubes, tools and accessories for all types of automotives, motor vehicles and all kinds of industrial project machinery and equipments, electrical goods, electronic goods, leather goods, televisions sets, video cassettes, telefax, telex and accessories, computers, office equipments, stationery and domestic appliances.

M. G. PARDHAN
ADVOCATE

- (h) To purchase, take on lease, option or licence, exchange or otherwise acquire in any part of the world ranches farms, lands, concessions, estates, plantations and properties and to cultivate, improve, manage, develop or otherwise turn to account, deal with or dispose of the same in any manner whatsoever, and likewise to acquire and deal with any agricultural, ranching, grazing, plantation, forest, fishing and trading grants, licences, concessions, options rights or privileges.
- (i) To establish and carry on the business of ranching and keeping cattle, sheep, pigs, goats, poultry, bee products game, fish, prawns and other livestock of every description, and to sell, breed, export, import, improve, prepare, deal and trade in stock of every description whether live or dead and generally to carry on the business as fisherman, cow-keepers, farmers, millers and market gardeners, and as manufacturers of all kinds. To carry on business as professional hunters, safari contractors, organisers and operators and to equip, organise and arrange hunting, finishing, game and other safaris and expeditions of all kinds and description whatsoever.
- (j) To carry business on all or any of the business of manufacturers, representatives, importers, exporters, buyers and sellers (both wholesale and retail) insurance agents, land agents, general merchants, traders and manufacturers and dealers in and agent and representatives for goods, merchandise, materials, furniture, furnishings appliances, equipment, machinery, stores, products, provisions, commodities, substances and effects of all kinds and to establish factories for the manufacture of any of them.
- (k) To carry on all or any of the business of stationers, printers, lithographers, stereotypes, electrotypes, engravers, photographic, printer, photo lithographers, typesetting machines operators, die sinker, envelope makers, book binders, account book manufacturers, machine, rulers numerical printers, paper makers, paper baffles and account book makers, box makers, flax and box file makers, cardboard manufactures, type foundry, of dealers in playing, visiting, railways, festival invitation, dealers in or manufacturers or any other articles or things or character similar or analogous to the foregoing or any of them or connected therewith and to deal in the manufacture of and sell by wholesale or retail of school chalks, and secretarial services.
- (l) To carry on the business of clearing and forwarding agents, commission agents, transporters, freighters, haulers, customs bonded warehouse and godown keepers, cargo and travel agents, insurance agents, tourist agents, manufacturers' representatives, road contractors, cargo superintendents, packers, machinery haulage specialists, warehousemen, engineers, electricians, motor cars, cabs, omnibus, lorries, oil tank and coach proprietors and transporters, civil transport contractor and transporters by any means of conveyance of people and goods in Tanzania and the neighboring countries and in such other place or places as may from time to time determined by the company, engage in and or otherwise carry on the business as transporters and transport agents, freight forwarders.
- (m) To carry on the business of importers, exports, general merchants, general store-keepers, universal providers, wholesale and/or retail traders, dealers of weighing scales, inkjet technology, moisture analysis, lab equipment, solar technology, hardware, piece wood, paints, glassware, crockery, cutlery, ironmongery, turners and other household fittings and requirements, other articles and commodities of personal, household use and consumption provisions, textiles, groceries, medicines, drugs, wines spirits, liquors, chemical, surgical, option, photographic and other instruments, apparatus and materials, motor vehicles, automobiles and generally in all manufactured goods of all types and merchandise of all kinds.
- (n) To carry on the business of architectural work and technical drawings on building and contractors, masonry and general construction contractors and where necessary to give consultation on the same.

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- (o) To carry on the business of miners and mining in all their branches and for the said purpose to peg, purchase, take on lease, or exchange or otherwise acquire concessions, grants, easements, options, claims, properties, cassettes- and effects supposed to contain minerals, diamonds, or other precious stones, and any interest therein, and to explore, mine, work, excise develop and turn to account mines and mining rights and any undertaking connected therewith.
- (p) To carry on the business as traders, suppliers, general merchants, importers, exporters, stockists, wholesalers, retailers and dealers in all types of electrical goods, hardware, building materials, spare parts and maintenance, tyres, tubes, tools and accessories for all types of automotive, motor vehicles, agricultural machinery, implements, equipment, all kinds of industrial projects machinery and equipment, timber, fishing gears, groceries, computers, office equipments, cooking oils, salts, foodstuffs, cosmetics, oils, paints, spirits sheets, hinges, screws, iron mongery, textiles piece goods, all types of leather goods, shoes, bags and other similar goods.
- (q) To carry on the business as exporters, traders, suppliers, general merchants, stockists, wholesalers, retailers and dealers in business of scrapers, agricultural machinery, implements, equipment and all kinds of industrial projects machinery.
- (r) To carry on the business of export and or import of bird, carvings, artworks, woodworks, guiding aids, artistic and or demonstration tools, business promotion apparatus and or tools, wood and or timber products, forest produce, designers of arts and representations thereof, dealers in carvings of all kinds, types and description whatsoever.
- (s) To promote tourism in Tanzania and elsewhere in Africa, to carry on business of travel and tourist agents and tour operators, to promote facilitate traveling to organize hunting, tented-camps, fishing and diving expeditions, safari promoters and undertakers generally and in particular to arrange and manager hunting safaris, photo safaris adventure tours, fishing trips, handling of game trophies and animal skins, catching, harbouring, transporting, wildlife and marine products of all kind.
- (t) To carry on the business as general food processors packers and suppliers, to be general suppliers of hard foods stuffs and agricultural crops, to be grain millers and food mixers to be general exporters of fresh fruits vegetables and flowers, to act as agents of buying and selling all kinds of motor vehicles, General supplies, buying and selling building hardware of every description, electrical appliances, lease.
- (u) To engage in and carry out the business of proprietors and managers of hotels, restaurants, cafes, road houses, motels, safari and holiday camps, caravan sites, guest houses, apartment housekeepers, refreshment and tea rooms, milk and snacks bars, tavern, beer house and lodging housekeepers and to provide food and catering services to individuals, private and public institutions and to industrial and business concerns.
- (v) To carry on all or any of the business of transport, carriage and haulage contractors, owners and charter of road vehicles, aircraft and ships and boats of every description and carriers of goods and passenger by road, rail, water or air and to establish, acquire, maintain and operate transport service of every description both public and private and all services ancillary thereto and for such purposes or as independent undertakings to purchase, take in exchange, charter, hire, build, contract or otherwise acquire and to own, operate, work, manage, maintain, repair, service and deal with and in road vehicles, aircraft and vessels of every supplies therefore and to conduct any such business within the country or any other state in Africa or Europe or Asia and or any other foreign country.
- (w) To carry on the business of garage proprietors and service station for motor vehicles of all kinds, to carry on the safe keeping, cleaning, repairing, refueling, panel beating, spraying and the general care of motor vehicles, aircraft, machinery, equipment and plant whether moved by mechanical power or

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not, implements, utensils, appliances, apparatus, fuel for internal combustion engines, lubricants, cements, solutions, batteries and accessories and all things capable of being used in connection with the said businesses or in the manufacture or maintenance of such vehicles, machinery, equipment and plant.

- (x) To carry out the business of providing technical and allied services in the field of welding, metal fabrication, non destructive testing, quality assurances, and to provide consultancy in technical services, oil storage tank erections and all other businesses which can be carried out in connection to the above.
- (y) To carry on all any of the wholesale and/or retail as gemstones merchants, jewelers and/or dealers in and/or buy, sell market import export and/or general deal in all or any kinds of gemstones precious and semi-precious stones, gold silver and precious metals of whatsoever kind or description.
- (z) To purchase, take on lease and otherwise acquire for investment or resale any estate, land, buildings, easements and other rights and interests in immovable property or any tenure in Tanzania and elsewhere and to sell let or lease exchange or otherwise dispose of or grant rights over any immovable property, belong to the company.
- (aa) To purchase, take or lease or in exchange, hire or otherwise acquire and hold any state or interest in any lands buildings, casements, rights, licenses secret processes, machinery, plants, stock, in trade and real or personal property of any kind.
- (bb) To accept payment for any property or rights sold or otherwise disposed or dealt with by the company either in cash, by installment or otherwise or in fully or partly paid up shares of the company or corporation, with or without deferred or preferred or guaranteed rights.
- (cc) To carry any other trade or business whatever which can in the opinion of the Board of Directors be advantageously carried on by the Company in connection with the above business or the general business of the company.
- (dd) To act as agents for the sale and purchase of any stocks shares or securities or for any other monetary or mercantile transactions.
- (ee) To act as executors and trustees of wills and settlements made by customers and others and undertake and execute trusts of all kinds.
- (ff) To do all or any of the above things in any part of the world and either as principals, agents, trustees, contractors or otherwise, and either alone or in conjunction with others and either or though agents, sub-contractors, trustees and otherwise.
- (gg) To remunerate any person, firm or company rendering services to this company, whether by cash payments or by allotment to him or them of shares or securities of the Company credited and paid in full or in part, otherwise.
- (hh) To accept for safe custody and keep for customers of the company all kinds of securities valuables and things.
- (ii) To lend money on any terms that may thought fit, and particularly to customers or other person or corporations having dealing with societies and to give any guarantees that may be expedient.
- (jj) To advance money to shareholders in the company, and other to the purpose of enabling the person borrowing the same erect or purchase, or enlarge or repair any house or building or to purchase the

fee simple or any less estate or interest in, or to take a demise for any term or terms of years of any freehold or leasehold property upon such terms and conditions as the company may think fit.

- (kk) To invest and deal with the moneys of the Company not immediately required, upon such securities and in such manner as may from time to time be determined.
- (ll) To distribute among the members in pieces any property of the company, or any proceeds of sale or disposal of any property of the company.
- (mm) To draw, make, accept, endorse, discount execute and issue promissory notes, bills of lading, warrants, debentures and negotiable or transferable instruments.
- (nn) To act as agents or brokers, and as trustees for any person firm or company, and to undertake and perform sub-contracts and also to act in any other business of the company through or by means of agents, brokers, sub-contractors or others.
- (oo) To obtain any provisional order, ordinance or act of Parliament for enabling the Company to carry any of it is objects into effect, or for affecting any modification of the Company's constitution, or any other purpose which may seem expedient, and to oppose any proceedings or applications which may seem calculated, directly or indirectly to prejudice the company's interest.
- (pp) To take or otherwise and hold shares in any other company having objects altogether or in part similar to this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit the company.
- (qq) To transact or carry on all kinds of Agency business and in particular in relation to the investment of money, the sale of property, and the collection and receipt of money.
- (rr) To do all other things as may be deemed incidental or conducive to the entertainment of the objects or any of them.

And it is hereby declared that:-

The word "company" in this clause, except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether corporate or incorporate, and whether domiciled in the United Republic of Tanzania or elsewhere.

The object specified in each of the paragraphs of the paragraph of this clause shall be regarded as independent objects, and accordingly shall in no way be limited or restricted (except where otherwise expressed in such paragraphs) by reference to or inference from the terms of any other paragraph of the name of the Company but may be carried out in as full and ample a manner and construed in as wide a sense as if each of the said paragraph define the objects of the separate and distinct compound.

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

4. The Liability of the Members is Limited.
5. The capital of the Company is Shillings 500,000,000/= divided into 1000 shares of Shillings 500,000/= each. The Company shall have powers to increase its capital and to divide the shares in its capital for the time being into several classes of stock or shares and to attach thereto respectively such preferential, deferred or special rights, privileges, or conditions as may be determined by or in accordance with the Articles of Association of the Company.

We, the several persons whose names and addresses are subscribed, are desirous of being formed into a company, in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the company set opposite our respective names.

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
ABDALLAH SALAD MOHAMED OTHILIE TONNINGSAGE 10A NORW 0486 OSLO NORWAY	510	Abdullah Salad
ABDIKHALIQ HASSAN FARAH P.O. BOX 11960 UK DAR ES SALAAM.	140	FARAH
MOHAMED SALAD MOHAMED MUNKERUA CLATUA 10 NORW 1164 OSLO NORWAY	70	Mohamed Salad
ABDILQADIR AHAMED YUSUF LINDERBERGLIA 36 NORW 1069 OSLO, NORWAY	70	Yusuf
ALI SOMAN GULED JENS BJELKES GATE 62B SOMA 0652 OSLO, NORWAY	70	Ali
NASRO HASSAN ISSE MUNKERUA KLATUA 091 NORW 1172 OSLO, NORWAY	70	Nasro H. Isse
MOHANED FARAH ABDULLAHI MUNKERUA KLATUA 091 SOMA POST NR 01280 FANTAN FINLAND	70	Mohamed Farah

Dated at Abn this 13th day of Nov 2008

Witness to the above signatures
Name

Signature
Postal Address
Qualification

BEATUS E. MPOKWA
ADVOCATE
NOTARY PUBLIC
&
COMMISSIONER
FOR
BATHS

P.O. Box
Abn

THE COMPANIES ACT, 2002
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF
CHUIPAINTS CO. LIMITED
INTERPRETATION

TANZANIA
Stamp Duty Shs: 2500/-
1.
Doc No: 33285529 of 13/10/08
Reg. No: 33285529 of 13/10/08

TANZANIA
Stamp Duty Shs: 5000/-
PAID ON ORIGINAL
Doc No: 33285529 of 13/10/08
Stamp Duty Office

In these articles:-

"the Act" means the Companies Act;

"the articles" means the articles of the company;

"clear days" in relation to the period of a notice means that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

"the seal" means the Common Seal of the Company;

"Secretary" shall mean any person appointed to perform the duties of Secretary of the Company;

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

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

PRIVATE COMPANY

2. The company is a Private Company and accordingly:-

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

MEMBERS

3. The number of members with which the company proposes to be registered is but the directors may from time to time register an increase or decrease in number of members.
4. The subscribers to the memorandum of association and such other persons as the directors shall admit to membership shall be members of the company.

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GENERAL MEETINGS

5. The Company shall in each year hold a general meeting as its annual general meeting in addition to any other meetings in that year, and shall specify the meeting as such in the notice calling it; and not more than fifteen months shall elapse between the date of one annual general meeting of the company and that of the next.

Provided that so long as the company holds its first annual general meeting within eighteen months of its incorporation, it need not hold it in the year of its incorporation or in the following year. The annual general meeting shall be held at such time and place, as the directors shall appoint.

6. All general meetings other than annual general meetings shall be called extraordinary general meetings.
7. The directors may, whenever they think fit, convene an extraordinary general meeting, and extraordinary general meetings shall also be convened on such requisition, or in default, may be convened by such requisitionists, as provided by section 133 of the Act. If at any time there are not within the Tanzania sufficient directors capable of acting to form a quorum, any director or any two members of the company may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meeting may be convened by the directors.

NOTICE OF GENERAL MEETINGS

8. Every general meeting shall be called by twenty-one clear days' notice in writing at the least. The notice shall specify the place, the day and hour of meeting and, in case of special business, the general nature of that business:

Provided that a meeting of the company shall, notwithstanding that it is called by shorter notice than that specified in this article be deemed to have been duly called if it so agreed:-

- (a) in the case of a meeting called as the annual general meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together representation not less than ninety – five percent of the total voting rights at that meeting of all the members.

Subject to the provisions of the articles, the notice shall be given to all the members, to all persons entitled to a share in consequence of the death or bankruptcy of a member and to the directors and auditors. The accidental omission to give notice of a meeting to, or the non receipt to notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

10. All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election in the place of those retiring and the appointment of, and the fixing of the remuneration of the auditors.
11. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two persons, entitled to vote on the business to be transacted, each being a member or a proxy for a member or a duly authorized representative of a corporation, shall be a quorum.

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12. If within half an hour from the time appointed for the meeting quorum is not present, or if during the course of a meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the directors may determine.
13. The Chairman, if any, of the board of directors or in his absence some other director nominated by the directors shall preside as chairman of the general meeting, but if neither the chairman nor such other director (if any) be present within fifteen minutes after the time appointed for the holding of the meeting and willing to act, the directors present shall elect one of their member to be chairman of the meeting and, if there is only one director and willing to act, he shall be chairman.
14. If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their member to be a chairman of the meeting.
15. The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business which might properly have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen days or more, at least seven clear days notice of the adjourned meeting shall be given specifying the time and place of the meeting and the general nature of the business to be transacted. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
16. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands demand:-
 - (a) by the chairman; or
 - (b) by at least (three) members present in person or by proxy; or
 - (c) by any member or members present in person or by proxy and representing not less than one – tenth of the total voting rights of all the members having the right to vote at the meeting.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to the effect in the book containing the minutes of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

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

17. Except as provided in article 18, if a poll is duly demand it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demand.
18. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.
19. A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken immediately. A poll demanded on any other question shall be taken either immediately or at such time as the chairman of the meeting directs, and any business other than upon which a poll has been demanded may be proceeded with pending the taking of the poll.

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20. A resolution in writing executed by or on behalf of each member who would have been entitled to vote upon it if it had been proposed at a general meeting at which he was present shall have effect as if it had been passed at a general meeting duly convened and held, and consist of several instruments in the like form each executed by or on behalf of one or more member.

VOTE OF MEMBERS

21. Every member shall have one vote.
22. A member in respect of whose estate a manager has been appointed under section 26 of the Mental Diseases Ordinance, may vote, whether on a show of hands or on a poll, by his said manager, and any such manager may, on a poll, vote by proxy.
23. No member shall be entitled to vote at any general meeting unless all moneys presently payable by him to the company have been paid.
24. On a poll votes may be given either personally or by proxy.
25. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing, or, if the appointer is a corporation, either under sea) or under the hand of an officer or attorney duly authorized. A proxy need not be a member of the company.
26. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the registered office of the company or at such other place within the Territory as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the per son named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.
27. An instrument appointing a proxy shall be in the following form or a form as near hereto as circumstances admit:-

" Limited
 I/We of, being a member/ members of the above- named company, hereby appoint, of or failing him of, as my/our proxy to vote for me/us on my/or behalf at the {annual or extraordinary, as the case maybe} general meeting of the company to be held on the day of200....., and at any adjournment thereof.

Signed day of, 200"

28. Where it is desired to afford members an opportunity of voting for or against a resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

" Limited
 I/We of Being a member/members of the above named company, hereby appoint of of or failing him of, as my/our proxy to vote for me/us on my/our behalf at the {annual or extraordinary, as the case may be} general meeting of the company to be held on theday of.....200....., and at any adjournment thereof.

Signed day of, 200"

This form is to be used* in favour of/against the resolution. Unless otherwise instructed, the proxy will vote as he thinks fit.

*Strike out which ever is not desire"

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

CORPORATIONS ACTING BY REPRESENTATION AT MEETINGS

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

DIRECTORS

32. The Number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the Memorandum of Association or a majority of them and until such determination the signatories to the Memorandum of Association shall be the first directors. Unless otherwise determined by ordinary resolution, the number of directors shall not be subject to any maximum but shall be not less than two.
33. The following persons shall be first Directors to the Company:-
- | | |
|----------------------------|----------------------------|
| 1. ABDULLAHI SALAD MOHAMED | 5. ALI OSMAN GULED |
| 2. MOHAMED SALAD MOHAMED | 6. NASRO HASSAN ISSE |
| 3. ABDIKHALIQ HASSAN FARAH | 7. MOHAMED FARAH ABDULLAHI |
| 4. ABDULQUADIR AHMED YUSUF | |
34. The remuneration of the Directors shall from time to time be determined by the Company in general meeting. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

BORROWING POWERS

35. A Director/the Directors authorized by the Board may exercise all the powers of the company to borrow money, and to mortgage or charge its undertaking and property, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as security for any debt, liability or obligation of the company or any third party.

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POWERS AND DUTIES OF DIRECTORS

36. Subject to the provisions of the Act, the Memorandum and the Articles and to any Directions given by special resolution, the Directors, who may exercise all the powers of the company, shall manage the business of the company. No alteration of the Memorandum or Articles and no such Directions shall invalidate any prior act of the Directors, which would otherwise have been valid. The powers given by this article shall not be limited by any special power given to the Directors by the articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.
37. The Directors may by power of attorney appoint any person to be the attorney or agent of the company for such purposes and on such conditions as they determine, including authority for the attorney or agent to delegate all or any of his powers.
38. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the directors shall from time to time by resolution determine.
39. The directors shall cause minutes to be made in books provided for the purpose:-
- (a) of all appointments of officers made by the directors;
 - (b) of the names of the directors present at each meeting of the directors and of any committees of the directors;
 - (c) of all resolutions and proceedings at all meetings of the company, and of the directors, and of committees of directors.

DISQUALIFICATION OF DIRECTORS

40. The office of director shall be vacated if the directors:-
- (a) Without the consent of the company in general meeting holds any other office of profit under the company; or
 - (b) Becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (c) Ceases to be a director by virtue of any provision of the Act or becomes prohibited by law from being a director; or
 - (d) Becomes of unsound mind; or
 - (e) Resigns his office by notice in writing to the company; or
 - (f) Is directly or indirectly interested in any contract with the company and fails to declare the nature of his interest in manner required by the Act.

A director shall not vote in respect of any contract in which he is interested or any matter arising thereat, and if he does so vote shall not be counted.

41. The company may by ordinary resolution appoint a person who is willing to act as director to fill a vacancy or be an additional director.
42. The directors may appoint a person who is to act to be a director, either to fill a vacancy or as an additional director, but so that the total number of directors shall not at anytime exceed the number fixed by or in accordance with these articles. Any director so appointed shall hold office only until the next following annual general meeting, and shall then be eligible for re – election.
43. The company may by ordinary resolution, of which special notice had been given in accordance with section 144 of the Act, remove any director before the expiration of his period of office notwithstanding anything in the article or any agreement between the company and such director.

Such removal shall be without prejudice to any claim such director may have for damages for breach of any contract of service between him and the company.

44. The company may by ordinary resolution appoint another person in place of a director removed from office under the immediately preceding article. Without prejudice to the powers of the directors under article 40 the company in general meeting may appoint any person to be a director either to fill a vacancy or as an additional director.
45. Subject to the provisions of the articles, the directors may regulate their meetings as they think fit. Questions arising at a meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have a second or casting vote. A director may, and the secretary at the request of a director shall, call a meeting of the directors. It shall not be necessary to give notice of a meeting of directors to any directors who are absent from Tanzania.
46. The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be three.
47. The continuing directors may act notwithstanding any vacancy but, if and so long as their number is reduced below the number fixed by or pursuant to the articles of the act for the purpose of increasing the number of directors to that number, or summoning a general meeting of the company, but for no other purpose.
48. The directors may appoint one of their numbers to be the chairman of the board of directors and determine the period of which he is to hold office. Unless he is unwilling to do so, the director so appointed shall preside at every meeting of directors at which he is present. But if no such chairman is appointed, or if he is unwilling to preside, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the directors present may choose one of their number to be chairman of the meeting.
49. The directors may delegate any of their powers to any committee consisting of one or more directors; any committees so formed shall in the exercise of the powers so to any such regulations, the proceedings of a committee with two or more members shall be governed by the articles regulating the proceedings of directors so far as they are capable of applying.
50. All act done by a meeting of the directors or of a committee of directors or by a person acting as a director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such director, or that any of them were disqualified from holding office, or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a director and was entitled to vote.
51. A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors, or of a committee of directors, shall be as valid and effectual as if it had been passed at a meeting of the directors or {as the case may be} a committee of directors duly convened and held, and may consist of several documents in the like form each signed by one or more directors.

SECRETARY

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

THE SEAL

54. The seal shall only be used by the authority of the directors or of a committee of the directors authorized by the directors. The directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a director and by the secretary or by a second director.
55. The directors shall cause proper books of account to be kept with respect to:-
- (a) all sums of money received and expended by the company and the matters in respect to which the receipt and expenditure takes place;
 - (b) all sales and purchase of goods by the company; and
 - (c) the assets and liabilities of the company.

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

56. The books of account shall be kept at the registered officer of the company, or subject to section 151 (4) of the Act, at such other place or places as the directors think fit, and shall always be open to the inspection of the directors.
57. No member shall (as such) have right of inspecting any accounting records or other book or document of the company except as conferred by statute or authorized by the directories or by ordinary resolution of the company.
58. The directors shall from time to time in accordance with sections 153,155 and 150 of the Act, cause to be prepared and to be laid before the company in general meeting, such profit and loss accounts, balance sheets, group accounts (if any) and reports as are referred to in those sections.
59. In accordance with section 164 of the Act, the copy of the company's annual accounts to be laid before the company in general meeting together with a copy of the directors' report and the auditors shall not less than twenty – one days before the date of the meeting be sent to every member of, and every holder of debentures of, the company. Provided that this regulation shall not require a copy of those documents to be sent to any person of whose address the company is not aware or to more than one of the joint holders of any debentures.

AUDIT

60. Auditors shall be appointed and their duties regulated in accordance with sections 170 to 179 of the Act.
61. Any notice to be given to or by any person pursuant to the articles shall be in writing except that a notice calling a meeting of directors need not be in writing. The company may give any notice to a member either personally or by sending it by post in a prepared 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 effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seventy – two hours after the letter containing the same was posted. A member whose registered address is not within the Tanzania and who gives to the company an address within the Tanzania at which notices may be given him shall be entitled to have notices given to him at that address, but otherwise no such member shall be entitled to receive any notice from the company.

M. ...ADHAN
ADVOCATE

NAMES, ADDRESSES, AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN	SIGNATURE
ABDALLAH SALAD MOHAMED OTHILIE TONNINGSAGE 10A 0486 OSLO NORWAY	510	<i>Abdullah Salad</i>
ABDIKHALIQ HASSAN FARAH P.O. BOX 11960 DAR ES SALAAM.	140	<i>FARAH K</i>
MOHAMED SALAD MOHAMED MUNKERUA CLATUA 10 1164 OSLO NORWAY	70	<i>Mohamed Salad</i>
ABDILQADIR AHAMED YUSUF LINDERBERGLIA 36 1069 OSLO, NORWAY	70	<i>Yusuf</i>
ALI SOMAN GULED JENS BJELKES GATE 62B 0652 OSLO, NORWAY	70	<i>Ali</i>
NASRO HASSAN ISSE MUNKERUA KLATUA 091 1172 OSLO, NORWAY	70	<i>Nasro H. Isse</i>
MOHANED FARAH ABDULLAHI MUNKERUA KLATUA 091 POST NR 01280 FANTAN FINLAND	70	<i>Mohamed Farah</i>

Dated at Abm this 15th day of Dec 2008

Witness to the above signatures
Name

Beatus E. M...

 Signature: *Beatus E. M...*
 Postal Address: *P.O. Box 12216 Dar es Salaam*
 Qualification: *Advocate, Notary Public & Commissioner for Oaths*

ICERTIFY THAT THIS IS A TRUE COPY OF THE ORIGINAL DOCUMENT

15

14 folios

Star

Vår dato

20.04.2009

Deres dato

Vår referanse

Deres referanse

Abdulqadir Ahmed Yusuf
C/o Mohammed Hassan
Lindeberglia 36
1069 OSLO



To whom it may concern

ACCOUNT NO 0535 5993894

We hereby confirm that Mr. Abdulqadir Ahmed Yusuf, born 3 March 1975, is the owner of the above mentioned account.

The account was opened on 15 December 2000, and has since then been conducted to our satisfaction.

Yours faithfully
for DnB NOR Bank ASA
POSTBANKEN



Torstein Kurås

DnB NOR Bank ASA
Kontoadministrasjon
20 APR 2009
Torstein Kurås
Tlf.: 24 02 50 36 - Faks: 24 02 51 60

To whom it may concern

Our ref.
/aba

Your ref.

Date
OSLO, 07. may 2009

CONFIRMATION

We hereby confirm that Abdulahi Mohamed Salad -12018037384- has several accounts with us.

He has been a customer since 1993

Yours faithfully
on behalf of DnB NOR Bank ASA


Roy Uthuslien



JAMHURI YA MUUNGANO WA TANZANIA
THE UNITED REPUBLIC OF TANZANIA

STAKABADHI YA SERIKALI

EXCHEQUER RECEIPT

NIMEPOKEA KWA

Received from

CHEM PAINTS CO. LTD. Director

37886122

KIASI
Amount

Shs.						Cts.	
US	1	00	00	00	00	00	00
750							

JUMLA YA SHILINGI (Kwa maneno)

The sum of Shillings (Words)

US\$ SEVEN HUNDRED FIFTY ONLY
For Tanzania Investment Centre

NA SENTI
And Cents

KWA MALIPO YA

In respect of

CERTIFICATE OF INVESTMENT

KWA FEDHA TASLIMU/HUNDI

NAMBA By Cash/Cheque No.

CASH

SAHIHI YA MPOKEAJI

Signature

Signature

CHEQUE No. AZE

TAREHE - Date
23/05/09

KITUO - Station

DCM



041647

TENANCY AGREEMENT

THIS AGREEMENT is made this 5th day of February, 2009 B E T W E E N MRS. ZARIHA KITULE of Post Office Box 15559, Dar es Salaam (hereinafter called the LANDLADY) of the one part. A N D M/S. CHUIPAINTS COMPANY LIMITED, a limited liability company incorporated in Tanzania of Post Office Box 79069, Dar es Salaam (hereinafter called the TENANT) of the other part.

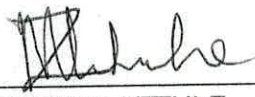
WHEREAS, the Landlady is the registered owner and occupier of a building on Plot number 66 Light Industrial area, is desirous of renting the said building (hereinafter called the PROPERTY) to the Tenant for a period of three years (3) commencing from 1st March, 2009 to last day of February, 2011 at a monthly rent of United states dollars two thousand five hundred (USD \$ 2,500.00).

THIS AGREEMENT WITNESSETH as follows :-

1. The agreement is for three years (3) as from 1st March, 2009.
2. The tenant shall pay advance rent of united states dollars thirty thousand (USD \$ 30,000.00) by account to account transfer.
3. The landlady acknowledges receipt of the said payment by signing this agreement.
4. The tenant shall not assign the property to a third person without written consent of the landlady.
5. To keep the property at all material time in good and tenantable repair.
6. Not to permit or do anything in the property which may cause damage to the property.
7. To use the said property for commercial purposes.
8. At the end of tenancy the tenant shall repair or renovate any damage caused during the term of tenancy.
9. Except for temporary alteration to fit the nature of business, the tenant shall not make permanent alterations of the property without the written consent of the landlady.
10. Withholding tax shall be paid by a party in trusted by law to pay to the authority.
11. Rent shall be reviewed from time to time by consent of both parties.

IN TESTIMONY WHEREOF we have here to subscribed our names and executed our signatures this 5th day of February, the year of our lord 2009.

SIGNED and DELIVERED by the said)
MRS. ZARIHA KITULE, at Dar es Salaam)
who is known to me personally /)
identified to me by _____)
_____, the latter being known)
to me personally, this 5th day of)
February, 2009.)


MRS. ZARIHA KITULE
" LANDLADY "

SIGNATURE: _____
ADDRESS: P. O. BOX 2373,
DAR ES SALAAM
QUALIFICATION: ADVOCATE



SEALED with the COMON SEAL of the said)
M/S. CHUIPAINTS COMPANY LIMITED,)
and DELIVERED at Dar es Salaam in the)
presence of us, this 5th day of February,)
2009.)



NAME: MOHAMMED SALAD
SIGNATURE: _____
ADDRESS: P.O. BOX 79069 DSM
QUALIFICATION: DIRECTOR.

NAME: Hussein Abdi Ali
SIGNATURE: _____
ADDRESS: PO BOX 79069
DSM
QUALIFICATION: Director

ICERTIFY THAT THIS
IS A TRUE COPY OF THE
ORIGINAL DOCUMENT.



~~041447~~

DnB NOR

To whom it may concern

Our ref.
/aba

Your ref.

Date
OSLO, 07. may 2009

CONFIRMATION

We hereby confirm that Abdulahi Mohamed Salad -12018037384- has several accounts with us.

He has been a customer since 1993

Yours faithfully
on behalf of DnB NOR Bank ASA


Roy Uthuslien

TANZANIA



Certificate of Incorporation

Section 15

No **68010**

I HEREBY CERTIFY THAT

CHUIPAINTS CO. 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 **20TH** day of **OCTOBER**

TWO THOUSAND AND EIGHT

Asst. Registrar of Companies

M/S CHUIPAINTS CO. LIMITED
P. O. BOX 79069 DAR ES SALAAM/TANZANIA
TEL: 0772-000978

③

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

09/06/2009

UFS

Executive Director,
Tanzania Investment Centre,
P.o. Box 938,
DAR ES SALAAM



Dear Sir,

**RE: DUTY/VAT EXEMPTION ON THE CAPITAL/DEEMED CAPITAL GOODS OF
CERTIFICATE OF INCENTIVES NO. 041647**

We are TIC approved project with Certificate of incentives No: 041647 which is valid up to February 2012.

We have been registered with objectives of establishing facilities for manufacturing of decorative paints.

Attached herewith please find a list of Capital/ Deemed Capital Goods, TIN and certificate of incentives for duty & VAT exemption approval Goods.

Yours sincerely

A. S. Mohamed
Managing Director

Abdulahi Sabuni



No 00215646

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041647

No:

This is to certify that

CHUIPAINTS CO. LTD

P.O. BOX 79069

of address

DAR ES SALAAM

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

CHUIPAINTS CO. LTD

PLOT NO. 66, MIKOCHENI LIGHT INDUSTRIAL AREA

Which is located at

KINONDONI - DAR ES SALAAM

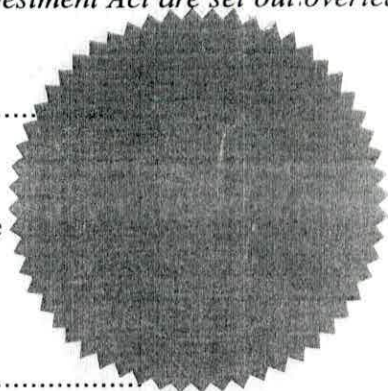
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

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

2ND JUNE 2009

Dated



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 (%)
Abdullahi Salad Mohamed	Norwegian	51
Abdikhalig Hassan Farah	British	14
Mohamed Salad Mohamed	Norwegian	7
Abdilqadir Ahamed Yusuf	Norwegian	7
Ali Soman Guled	Somali	7
Nasro Hassan Isse	Norwegian	7
Mohamed Farah Abdullahi	Somali	7
2. Proposed Activities : To establish facilities for manufacturing of decorative paints
3. Sector: Manufacturing Subsector Decorative paints
4. Investment cost: Foreign USD 1.50m. Local - Total USD 1.50m.
5. Project Financing: Equity USD 0.60m. Loans USD 0.90m. Total USD 1.50m.
6. Source, terms and conditions of loan
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 1.50m.	-	USD 1.50m.
8. Technology Agreement None
9. Date of TIC Registration: 3rd 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
Finished goods are not allowed under this Certificate

Signed 
Executive Director

CTIN.: 0472685



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

CHUIPAINTS COMPANY LTD

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

107-727-108

with effect from

23/02/2009

JOANNES N. A. MALLY

OFFICIAL SEAL

COMMISSIONER FOR DOMESTIC REVENUE

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

REQUIREMENTS OF THIS CERTIFICATE

1. The taxable person must show his TIN registration number in any return, statement, notice of appeal or other document used for the purpose of the Income Tax Act.
2. This Certificate should be displayed in a conspicuous position at the principal place of business.

LIST OF THE CAPITAL/DEEMED GOODS FOR MAUFACTURING OF DECORATIVE
 PAINTS CHUI PAINT CO LTD. PO BOX 6664 D'SALAAM- TANZANIA

SL NO	Description	Qtty
1	USED ELECTRICAL PAINTING MIXING MACHINE 37 KW	1 UNIT
2	USED HYDRAULIC PAINTING MIXING MACHINE 50 KW	1 UNIT
3	USED ELECTRICAL PAINTING MIXING MACHINE DISSOLVER 1KW	2 UNITS
4	USED PAINTING MACHINE MIXER 5,2 KW	1 UNIT
5	PAINTING MACHINE DRUMS 800 LRS METAL	5 PCS
6	PAINTING MACHINE DRUMS 300 LRS METAL	5 PCS
7	USED ELECTRIC PUMP FOR PAINTING	2 PCS
8	ELECTRIC TIN CLOSER	3 PCS
9	USED WEIGH BRIDGE 1500 KGS	2 PCS
10	USED WEIGH 950 GMS	2 PCS
11	USED WEIGH 20 KGS	2 PCS
12	USED MOBILE WEIGH 100 KGS	3 PCS
13	AUTOMATIC COLORANT DISPENSER	20 UNITS
14	MANUAL COLORANT DISPENSER	20 UNITS
15	AUTOMATIC PAINT SHAKER	20 UNITS
16	SHAKER FASTER	10 UNITS
17	COMPUTER PC	10 PCS
18	FORKLIFT 3.5 TON	5 UNITS
19	HEAVY DUTY TRUCKS ✕	10 UNITS
20	TRACTORS <	7 UNITS
21	TRAILERS >	10 UNITS
22	PICK UPS 4WD	2 UNITS
23	PICK UPS DOUBLE CABIN ✕	2 UNITS
24	LAND CRUISER HARD TOP	1 UNIT
25	GENERATORS	5 UNITS
26	AIR COMPRESSOR	6 UNITS
27	RACK WAREHOUSE 4000 SQM	4000 sqm
28	SURVEILLANCE CAMERA	50 pcs
29	4 PCS EXHIBITION TV ✕	4 pcs
30	OFFICE FURNITURE. 10 OFFICES ✕	10 UNITS
31	10 OFFICES CHAIR ✕	10 UNITS
32	PACKING MACHINE	3 UNITS
33	SHRINK WRAP	6 UNITS
34	— —	



No. 00215646

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

041647

No:

This is to certify that

.....
CHUIPAINTS CO. LTD
.....

P.O. BOX 79069

of address

DAR ES SALAAM
.....

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

CHUIPAINTS CO. LTD
.....

PLOT NO. 66, MIKOCHENI LIGHT INDUSTRIAL AREA

Which is located at

KINONDONI - DAR ES SALAAM
.....

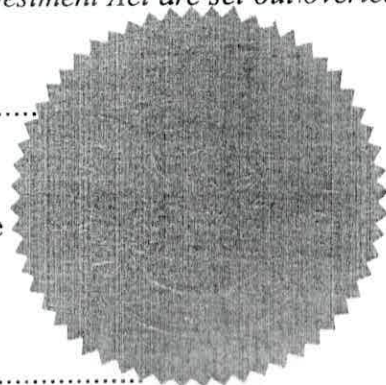
Further particulars required by Section 17 of the Tanzania Investment Act are set out overleaf.

Executive Director

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

2ND JUNE 2009

Dated



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 (%)
Abdullahi Salad Mohamed	Norwegian	51
Abdikhaliq Hassan Farah	British	14
Mohamed Salad Mohamed	Norwegian	7
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6. Source, terms and conditions of loan:
7. Assets to be invested:

Capital items:	Foreign	Local	Total
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9. Date of TIC Registration: 3rd March 2009
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11. Operative date: March 2012
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 - (iii) Eligibility of Capital Allowances: As per Income Tax Act, 2004 (as amended)
13. Protection of Investment, Arbitration and Transfer of Foreign Currency: as defined in part III Section 21, 22 and 23 of the Act.
14. Conditions attached to this Certificate of Incentives
 - (i) Date of Commencement of investment has to be notified to the Centre.
 - (ii) Certificate not to be transferred, assigned or amended
 - (iii) Failure to commence implementation within two years invalidates Certificate
 - (iv) Failure to operate investment must be notified to the Centre
 - (v) Changes in shareholding, project activities and level of invested capital must be notified to the centre
15. Additional conditions attached to Certificate: Finished goods are not allowed under this Certificate

Signed 
Executive Director

②

TICC/PP.10/041647/6

12/06/2009

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. 041647**

M/S Chuipaints Co. Limited is a TIC registered company with certificate of incentives **No. 041647** which is valid up to **February 2012**

The company has been registered with objectives of establishing facilities for manufacturing of decorative paints.

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