

PRIME MINISTER'S OFFICE

TANZANIA INVESTMENT CENTRE

FILE BEGINS

ENDS

PART

FILE TITLE

FILE NUMBER

TICC

PART

CONFIDENTIAL

PP.10

FILE NUMBER

TICC

PP.10/042113

042113

INDEX HEADINGS

Action

Officer

For

Action

Officer

For

Action

Action
taken

SOUTHERN JUMBO

CASHIE WINTERS LTD

MINUTE SHEET

**Dokezo
No.**

MINUTE SHEET

Dokezo
No. 10

Ag. EXD

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

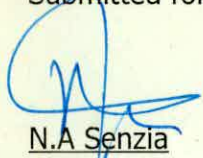
(a) Minimum finance investment threshold has been exceeded, the project expects to invest ... USD 0.821 m.

(b) Legal entity has been incorporated under certificate

No. 64823 of 27/03/2008

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

4th October, 2011

20

EXD

In response to the TIC letter of registration dated 4th October 2011

the project has submitted the required documents namely: -

(a) Company Board Resolution.

(b) Reference letter/Financing from CRPB Bank Ltd

(c) Lease Agreement as evidence of land

With the above submission EXD is requested to sign Certificate of Incentives No. 042113 herein attached.

20/12/2011



DIF

SOUTHERN JUMBO CASHEWNUTS LTD

FEASIBILITY STUDY

FOR

CASHEWNUT PROCESSING FACTORY

Final Report

Prepared by



D a i m a

DAIMA ASSOCIATES LIMITED

{Development & Management Consultants}

Makumbusho Street, Kijitonyama

P. O. Box 75027, Dar es Salaam

TANZANIA

Telephone: +255-22-277 1954

Facsimile: +255-22-277 1949

Email: associates@daima.co.tz

FEBRUARY 2008

TABLE OF CONTENTS

LIST OF ABBREVIATIONS.....	III
EXECUTIVE SUMMARY.....	IV
1.0 THE PROJECT PROMOTERS	1
1.1 The Company.....	1
1.2 Project Promoters.....	1
2.0 DESCRIPTION OF THE PROJECT	3
2.1 Project Definition	3
2.2 Capacity.....	3
2.3 Technology and Production Process.....	3
2.4 Raw Materials.....	5
2.5 Project Implementation Schedule.....	11
3.0 THE MARKET	12
3.1 The Product.....	12
3.2 Project justification	12
3.3 Increase of earnings from Cashew nuts	13
3.4 End Products of Cashewnut Processing.....	15
3.5 Demand Characteristics.....	16
3.6 Supply side Factors	16
3.7 The prices.....	18
3.8 Promotion.....	19
3.9 Competition.....	19
4.0 CAPITAL COST AND FINANCING	21
4.1 Fixed Capital Cost.....	21
4.2 Working Capital Requirement.....	23
4.3 Financing Plan	24
5.0 ORGANIZATION AND MANAGEMENT	25
5.1 Organization Chart.....	25
5.2 Management.....	25
5.3 Employment.....	25
6.0 FINANCIAL ANALYSIS.....	26
6.1 Revenue Assumptions	26
6.2 Operating Costs.....	28
6.3 Overheads.....	29
6.4 Project Profit and Loss statement (Appendix 1).....	32
6.5 Project Cash Flows (Appendix II).....	32
6.6 Projected Balance Sheets (Appendix III).....	33
6.7 Discounted Cash Flows	33
6.8 Other Financial Indicators.....	33
7.0 ECONOMIC EVALUATION.....	34
7.1 Value added.....	34

7.2	Employment Effects.....	34
7.3	Government Taxes.....	34
7.4	Foreign Exchange Earning.....	34
8.0	ENVIRONMENTAL CONSIDERATIONS.....	35
8.1	Products of Processing Cashewnuts are:.....	35
8.2	Measures to Address Environmental Aspects.....	35
8.3	Clean Production.....	35
9.0	PROJECT RISKS.....	37
9.1	Risks Envisaged.....	37
9.2	Mitigation Measures.....	37
10.0	CONCLUSIONS AND RECOMMENDATIONS.....	38
10.1	Conclusions.....	38
10.2	Recommendations.....	38
APPENDICES.....		40
	Appendix 1: Projected Income Statements.....	41
	Appendix 2: Projected Cash Flows.....	42
	Appendix 3: Projected Balance Sheets.....	43
	Appendix 4: Discounted Cash Flows.....	44
	Appendix 5: Break-Even Analysis.....	45
	Appendix 6: Production Process Flow Diagram.....	46
	Appendix 7: Tanzania Cashew Production, 1972 - 2006.....	47

EXECUTIVE SUMMARY

a. Introduction

This report gives details of a proposal to establish a medium size cashew nuts processing plant at Vingunguti, Dar es Salaam for production of cashew nut kernels for the local and export markets.

b. Project Promoters

The project is being sponsored and promoted by Messrs Southerm Jumbo Cashewnuts Limited, a new company that has been incorporated to own and operate the project. The shareholders of the company are all Tanzanian.

c. The Market.

The leading market for cashew kernels is the US, with a commanding share of over 62% of world demand; in some years 50,000 metric tonnes and more. It is followed at a distance by Europe, Japan, and Canada. Russia used to be one of the major buyers but has lost much of its lead. Current world demand is growing in response to pressure from new buyers in the market such as South Africa, Pakistan and Colombia at a time when the US and European buyers (especially the Netherlands, Belgium and UK) are craving for greater market shares.

The leading world suppliers of cashew kernels are India, Brazil and Vietnam. Africa's share is very small due mainly to the absence of processing capacity at home and competition abroad. Brazil has a competitive advantage as it enjoys a monopoly access to the US market while India earns its competitive advantage from both cheap labour and the technology applied thereof.

Tanzania exports cashew kernels to the world market earning in the process about USD 2.4 million in 2004. The value increased to USD 6.6 million in 2005 jumping two-and-a-half times to USD 15.00 million in 2006.

In spite of high costs in the factors of production, Tanzania has carved a market presence in the USA, South Africa, the Netherlands and the UK. Apart from these prominent markets, Tanzania exports to its relatively lesser markets such as Russia, Ireland, Saudi Arabia, India, Belgium, Pakistan, Germany, Canada and Indonesia. The market potential in these markets is perceived to be significant. Smaller buyers are also demonstrating their taste for Tanzania's nuts. Among them Colombia, Hong Kong, Kenya, Sri Lanka, Poland and Thailand are creating yet new trading opportunities. To these, Tanzania's nuts owe competitive advantage to natural local quality of the nuts, relatively close proximity to Europe, and the existence of unserved market segments in the importing countries.

Given a well articulated and executed marketing strategy, exporting about 250 tons of cashew nut kernels should not constitute a problem. M/S Techno Serve have

undertaken to link the project with one or two major USA importers of kernels and there is a chance of them agreeing to take the whole annual production, (250 tons).

d. The Project Description

The project entails establishment of a medium size processing plant with a rated processing capacity of 1,100 MT of raw nuts per annum, based on one shift of 8 hrs, 275 workdays a year. It is planned that the plant will gradually step up its capacity from 70% in the first year to 80% in the second year and stabilizing at 90% from 3rd year onwards. Production plan will therefore be as follows:

Year	1	2	3+
Rated capacity: tons of raw nuts	1,100	1,100	1,100
Capacity utilization	70%	80%	90%
Raw nuts requirement (t)	770	880	990
Kernel yield ratio	25%	25%	25%
Quantity of kernel produced (tons)	192	220	248

An extraction rate of 25% has been assumed based on practical experience of using the semi-mechanical shellers, Indian type.

e. Availability of Raw Materials

Initially, about 1,155 metric tonnes will be required annually (including shrinkage, spoilage loss of 5 percent). These can be obtained from local suppliers.

f. Estimated capital Cost

The capital cost of the project is estimated at about USD 750,000 as summarized below:-

in US Dollars

U S D	Cost Item	Local	Foreign	Total
1	Land and Buildings	80,000	-	80,000
2	Plant, Machinery & Equipment	10,700	207,500	218,200
3	Motor Vehicles	85,000	-	85,000
4	Stand by Generator ✓	7,500		7,500
5	Furniture & Fittings	8,500	-	8,500
6	Pre-operational exp.	14,000	-	14,000
7	Contingency (approx 10%)	14,300	22,500	36,800
	Total Fixed Capital Cost	220,000	230,000	450,000
8	Add: Initial Raw Material cost	300,000	-	300,000
	TOTAL PROJECT COST	520,000	230,000	750,000

g. Financing Plan

The proposed investments will be financed by equity and term loan as follows:

Source	USD		
	Local	Foreign	Total
EQUITY:			
Shareholders contribution	225,000	-	225,000
EADB contribution ¹	75,000	-	75,000
	300,000		300,000
LOANS:			
EADB	220,000	230,000	450,000
TOTAL FINANCING	520,000	230,000	750,000

h. Management and Staff

The Board of Directors will be responsible for overall management of the project. However, the day-to-day management will be overseen by a general manager, who will be appointed by the Board. The Board will also appoint a marketing manager, a production manager and a human resources/accounting manager. For the initial two years the team's efforts will be complimented in the areas of production, management and quality control by experts from India. Plant installation will be performed by the plant & machinery suppliers

i. 1.9 Profitability and Liquidity

The detailed profitability analysis of the project is given in the Appendices attached to this report. The main indicators however, are shown below:-

YEAR	USD' 000							
	1	2	3	4	5	6	7	8
Production of kernels in KG	192,00	220	248,000	248,000	248,000	248,000	248,000	248,000
Sales Revenue (Gross) USD	1,098	1,258	1,419	1,419	1,419	1,418	1,419	1,419
Pre-Tax Profit	(29)	54	147	156	165	174	183	192
Tax @ 30%	-	16	147	46	49	52	54	54
after Profit tax	(29)	38	103	46	116	122	129	135
Employment No (people)	390	390	390	390	390	390	390	390
Cash Balances	53	122	191	288	392	417	433	436
Dividends: Rate	-	-	-			30%	40%	50%
Amount						90	120	150

The Payback Period is 6 years

j. Development Values

¹ The indicated EADB's equity funding is in line with the Bank's condition of not holding more than 25% shareholding in any single venture; the equity in this project being USD 300,000.

The project has a number of development values to the country.

- a) The project will create employment opportunities to 390 people,
- b) Tax available to Government over the first eight years is estimated at USD 318,000 equivalent to T. sh 357,750,000 (at conversion rate of 1 USD = TShs 1,125).
- c) Since approximately 80% of total production will be for export, foreign exchange earning for the first eight years is estimated at USD 8,696,000.
- d) Mastering of the Semi-mechanical processing machines from India will result into possibility of spreading the technology elsewhere in the country, thus enabling Tanzania processors to utilize the process an increasing proportion of the cashew nuts kernels currently exported in raw form.

k. Conclusions & Recommendations

Conclusion

Given that a thorough scrutiny of the plant, m/c & equipment has been carried out to ascertain effectiveness of the machinery; coupled with a commitment of the suppliers to be responsible for installation and commissioning of the plant; ensuring further that two experts from India will assist management in two crucial areas of production and quality control functions, the project is socially desirable, technically feasible and financially viable. This report therefore strongly recommend that the promoters continue with all the arrangements to implement the project.

Recommendations

Some priority areas essential for success of the project, however, will require close scrutiny and investors' follow up.

- 1) The process of fixing prices of raw cashew nuts by Government / Government agency annually has the tendency of making the prices of raw cashew nut fluctuate every year. Processors will need to closely monitor this trend and seek representation in the price review fora.
- 2) Investors should acquaint themselves with the comprehensive Cashew nut Improvement Programme, currently on going in Tanzania, covering research, development, extension, input supply and marketing, so that they can follow the trends of production of raw cashew nuts to ensure adequate raw material for processing.
- 3) On the Domestic Market arena, a survey, organization setting, and control of quality standards, and prices should be carried out leading to formulation of conducive marketing policies,
- 4) As regards international market, Tanzania should encourage setting up of a Regional Intelligence Unit to gather information on international marketing of kernels, raw nuts and CNSL.

It should be noted that FAO, through the Horticultural crops group has taken an initiative to promote studies in order to have a first hand assessment of the situation as to the cashew nut industry, identify major constraints, set up priorities and recommend possible inter-country collaborative mechanisms, covering eight countries of Angola, Guinea-Bissau, Kenya, Mozambique, S.A. Tanzania, Uganda and Namibia. Promoters/ sponsors of this project are advised to familiarize themselves with the FAO studies and make use of their findings.

1.0 THE PROJECT PROMOTERS

1.1 The Company

For the purpose of owning and operating the project a new company known as **Southern Jumbo Cashewnuts Limited** has been incorporated.

1.2 Project Promoters

The project is being sponsored by M/S Southern Jumbo Cashewnuts (SJC) Limited of P.O. Box10832 Dar es Salaam. The company has been incorporated to engage primarily in cashewnuts buying, selling and processing and subsequent marketing of products for local and export market.

The company is owned by two Tanzanian nationals as shareholders whose profiles are given below:

(a) **Hon. Benjamin William Mkapa**

Has long and wide experience in policy making and management of socio, economic and industrial policies and strategies in the country. Versatile and resourceful to the company in the execution of several management capacities in acceding to financial, physical, administrative resources and could make the company one of the best performers in the country. His background is rich in experiences of international acclaim for negotiations, development of contacts and firming up access to cashew nut world actors, multinational companies, supermarket chains and sources of information.

His experience is best placed to motivate workers at all levels of farming, processing and manufacturing. His personality is an excellent link pin between commercial interest of the company and the social interests of government especially in the integration of policy implementation to help develop an aggressive class of manufacturers and a prosperous middle class in the country.

Current efforts are exemplary in the cashew industry but can also be emulated in the processing of other commodities like coffee, tea, cotton, tobacco and sisal.

(b) **Mr. E. D. Maokola Majogo**

Born and brought up in a cashew growing area, the director is known for meticulous follow up of issues in the promotion of the production of cashew nuts in the region - issues related to production, input supply, harvesting and procurement. He is well placed and influential for sorting out cashew marketing problems at district, regional and national levels especially those of taxation transport and other market distorting practices. For his experience The Company stands to gain from his experience to lobby the business environment in favour of processing in Dar and in the South of the country.

The shareholders have resolved to jointly go into cashew nuts growing, buying and processing to make use of their long management, socio and political careers to demonstrate that business is a viable and respectable way of earning a sustainable living after retirement from public service.

2.0 DESCRIPTION OF THE PROJECT

2.1 Project Definition

The project entails setting up a new medium scale cashew nut processing factory to produce cashew nut kernels for both export and local markets. Cashews are grown commercially chiefly for their kernels, ranking amongst the most important and valuable edible nuts in the world trade. A valuable chemical by-product is the cashew nut shell liquid (CNSL), processed in industrial countries into a phenolic resin with several industrial uses mainly brake fluid for motor vehicles. The project will not involve itself into collection of the CNSL by-product due to its limited quantity that will be produced (about 7 – 10% of raw nut (by weight %). The project will however be concerned about its proper use and/or handling on environmental grounds.

2.2 Capacity

The project is nominally designed to process raw nuts at a rate of 4 tonnes per day, which translates to 100 tonnes per month and 1,000 tons per annum, on the basis of a single shift of 8 hrs a day and an annual working period of ten months. The capacity will be stepped up gradually from 70% capacity utilization in the first year of production to 80% in the 2nd year, and to 90% from year 3 onwards. The Production Plan will be as follows:-

Year	1	2	3+
• Available capacity (tons) of raw nuts	1,100	1,100	1,100
• Capacity Utilization (%)	70%	80%	90%
• Quantity of raw nuts required (tons	770	880	990
• Yield / Recovery rate in %	25%	25%	25%
• Quantity of assorted kernels (tons)	129	220	248

2.3 Technology and Production Process

The technology that will be applied by the project to extract the kernels from raw cashew nuts is considered simple, labour intensive and involves machinery which are largely manual to operate. As part of the package, the machinery supplier provide the necessary instructions and demonstrate on the use and operation of the different plant machines and equipment including familiarization of local operators at all stages of product processing and treatment.

The entire production process is depicted in the flow diagram shown in *Appendix 7* and essentially involves the following stages:

3.3.1 Cashew nut drying

The nuts procured in 80kg bags will be delivered at the factory site and spread for sun drying before going for processing and / or storage. Harvested nuts may lose up to 3% of

their original weight; the reason why 5% shrinkage allowances has been adopted in the purchasing program/ quantities.

3.3.2 Roasting

The roasting of cashews method to be used will involve steam cooking as a recent processing technology, instead of applying oil to fry the nuts. This method will involve soaking of cashews in boiled water that is injected as steam from cashew nut shell fueled boiler. The nuts will be cooked for 30 minutes and discharged/ and let to cool on the floor for 12 hours. The application of heat to the nut releases the nut shell liquid and makes the shell brittle which facilitates the extraction of the kernel when breaking the shell open.

3.3.3 Shelling

The objective of shelling is to produce clean, whole kernels free of cracks. In India, the major kernel exporter, this operation has always been done manually.

Other countries have had difficulty in competing with the great skills and the low wages of the India workers. Therefore, India has enjoyed a virtual monopoly of cashew processing for a long time. Manual shelling is still relevant to the small scale processor although a close look at the mechanical option is advisable these days. This project is based on a semi-mechanized process that is also being used in India and Brazil.

At this stage, the roasted and steam cooked butts are shelled manually with shelling machine and skilled hand; simple knives are used to remove shells and obtain kernels. Diligence and extreme care is required in the process in order not to break the nuts.

3.3.4 Drying of shelled kernels

The shelled kernel is covered with the testa and to facilitate removal, i.e. to peel in order to produce the blanched kernel, the shelled kernel is dried.

Thus for drying, the shelled kernels are put in perforated aluminium trays and staked in borma (hot room) drier. This drier can be fueled with shells to generate and maintain drying temperature of 80° - 90° for about 4 - 7 hours. During this period the trays are interchanged for uniform heating and drying.

3.3.5 Humidification

The humidification stage is a process that softens the outer skin of the dried kernels for easy removal during peeling.

3.3.6 Peeling

At this stage, the testa is loosely attached to the kernel, although a small amount of kernel may have already lost the testa during the previous operations. Manual peeling is done by gentle rubbing with the fingers. Those parts still attached to the kernel are removed by the use of a bamboo knife.

3.3.7 Grading

The grading operation is important as it is the last opportunity for quality control on the kernels. With the exception of a few grading aids, all grading is done by hand. There are about 20 grades. For this project aimed towards the export markets, it will be necessary to grade kernels to an international level. The expert from India will be instrumental in designing and implementing a programme for graders to achieve the international grade levels.

3.3.8 Rehumidification

Before the kernels are packed it is necessary to ensure that the moisture content rises from 3% to around 5%. This is to make the kernel less fragile, thus lessening the risk of breakage during transport. In humid climate (like in DSM) the kernels may absorb enough moisture during peeling and grading to make a further rehumidification process unnecessary.

3.3.9 Packing

In the past, the normal packaging for export of kernels was in air-tight tins of 25 lbs in weight. The packing needs to be impermeable as cashew kernels are subject to rancidity and go stale very quickly.

After filling and weighing, the cap should be soldered on in preparation for the 'vita pack' process. This consists of removing all air from the tin and substituting this with carbon dioxide (CO₂). The advantages of packing cashew kernels in carbon dioxide are two fold. Firstly, carbon dioxide is an inert gas and will not support life. Any infestation that may have been present is therefore arrested. Secondly, carbon dioxide is soluble in cashew oil and goes into solution as soon as the seals are made. In a short space of time, it can be seen that a decrease in pressure takes place as the carbon dioxide goes into solution and the sides, top and bottom are drawn inwards. Thus the kernels are held tight in the tin, preventing movement and breakage during transport. Carbon dioxide, being heavier than air, displaces the air and remains in the tins after the filling process. Some large-scale machine will operate on six tins at a time, creating vacuum in each and then filling with the carbon dioxide.

An alternative Molded Vacuum Packing method has been developed by Van Leer of South Africa and is to offer packers an extremely competitive way to current methods of tin packaging. See diagram attached to this paper.

A pesticide free packing system, resistant to infection makes use of a co-extruded multi-layer, double barrier vacuum bag. This superb bag is used in conjunction with Van Leer unique moulds.

The machinery suppliers have however, recommended a Flex Packing system for Plastic Pouch Packing. This is a packing method adopted by major Indian exporters of kernels to major consumer markets.

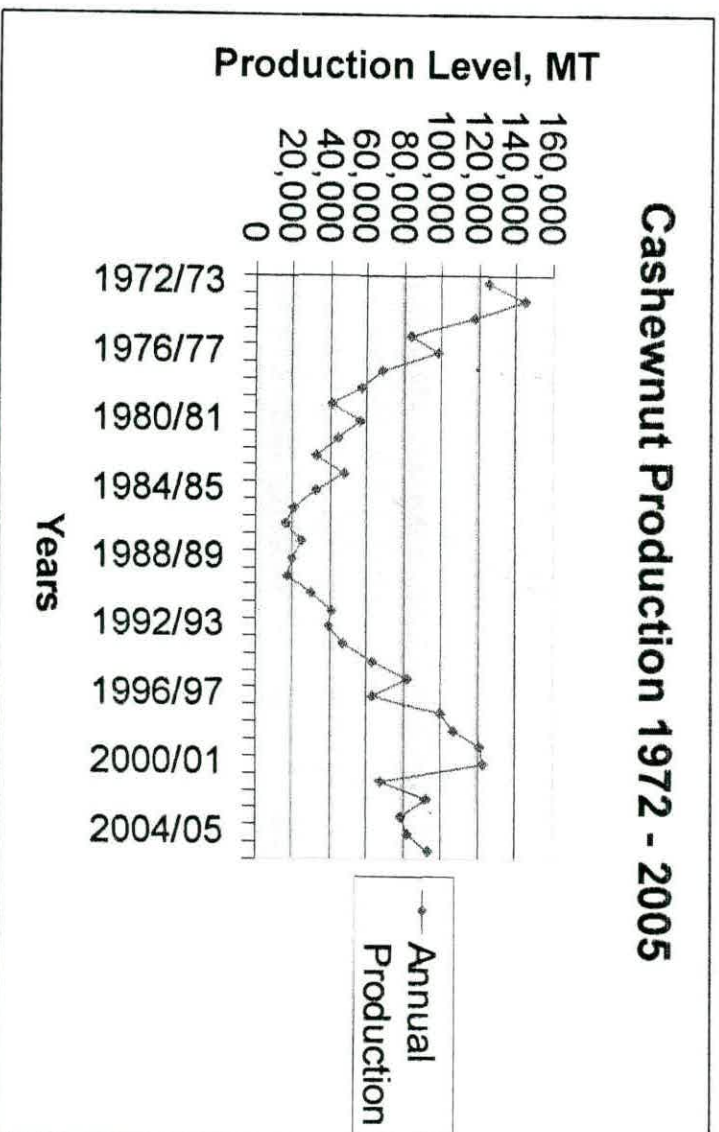
2.4 Raw Materials.

3.4.1 Introduction

The cashew industry is one of the industries which provide livelihood to the rural population along the coastal regions of Tanzania. Main cashew nut producing Regions are Mtwara and Lindi while Coast, Tanga and Ruvuma produce significant quantities. Production potential exists for the expansion of the crop in Ruvuma, Coast and Morogoro regions - indeed the whole area east of a straight line between the Matengo highlands, along the east of the Udzungwa Mountains, up to the land between the Usambara Mountains and the Indian Ocean. The cashew nut zone extends across the borders into Kenya and Mozambique which are also important producers of the crop.

3.4.2 Local Production of Cashewnuts

Tanzania used to be a major producer of cashew nuts. The crop reached a peak of 145,000 MT in 1974/75 and went through a steady decline down to a low of 16,500 MT in 1986/87,1 (Appendix 7). The Graph below shows the cashew nut production trend over the last 35 years.



The declining situation was first tackled through a pilot project which identified the major causes of the decline: policy of villagization, low farm gate prices, and widespread incidence of PMD. Furthermore, the project faced the PMD problem through selection and propagation of tolerant trees, testing of sulphur dusting control and delivery of recommendation packages to farmers.

The Cashewnut Improvement Programme was then designed with the overall objective of increasing cashew production and supply as well as exports. The government has greatly boosted the industry by relaxing the villagization policy and increasing farmers' take home

prices so that nut supply has subsequently been enhanced; Production of cashew nuts over a few last years has increased to reach a level of about 93,000 tons (2007/08).

3.4.3 Acquisition of Raw materials

The company can purchase raw materials (raw cashew nuts) by one or both of the following methods:

- 1) By sending employees and trucks to purchase cashew nuts in the warehouses designated by the government. These employees can work under the control of managers to be appointed by the company to control operations in the cashew producing regions.
- 2) By contracting a Mtwara / Lindi based trader to act as the company's agent to buy nuts from the warehouses.

At the material time the Board of the company will be requested by the professional managers to advice on which of the systems will be used.

3.4.4. The Government is desirous to improve Marketing

Currently a Warehouses Receipt System is being developed after serious problems occurred in the marketing system during the 2006/07 season. The new system assures farmers of reliable and organized marketing and buyers get access to the crop without the inherent chaos.

Table 2: Production and Export of Cashews 1995-2005

	Season	Production MT	Exports MT	Percentage exported	Value US\$
1	1995/96	81,729	75,304	92.1	64,008,400
2	1996/97	63,033	63,033	100.0	47,274,623
3	1997/98	99,916	95,961	96.0	80,942,288
4	1998/99	106,442	106,149	100.0	94,351,578
5	1999/00	121,207	119,135	98.3	123,792,393
6	2000/01	122,284	121,379	99.2	96,913,812
7	2001/02	67,369	64,441	95.6	35,055,773
8	2002/03	92,000	82,054	89.2	48,932,330
9	2003/04	78,556	76,771	97.7	49,012,575
10	2004/05	81,600	70,667	86.6	64,868,340
	Average over 10 years				70,515,211

As indicated in the table above, about 87% of the 2004/05 crop was exported raw. The remaining 13% was processed into kernels and other derivatives also mainly for export. Almost all raw nut exports are shipped to India for processing. This deprives the country of higher earnings from the exportation of cashew kernels and cashew nut shell liquid. It

deprives the population from employment and income from processing of cashew nuts and renders the industry vulnerable to the Indian monopoly.

Table 3: CASHEWNUTS HARVESTS: Selected Years (MT)

No	Region	Growth Area	2003	2007
1	MTWARA	1. Mtwara Urban	222	23,360
		2. Mtwara rural	4,280	5,096
		3. Tandahimba	12,563	19,520
		4. Newala	3,875	10,520
		5. Masasi	7,581	16,210
		TOTAL	28,521	54,006
2	LINDI	1. Lindi Urban	130	200
		2. Lindi rural	3,700	727
		3. Ruangwa	1,663	5,056
		4. Nachingwea	2,200	11,458
		5. Liwale	2,693	5,300
		6. Kilwa	320	133
		TOTAL	10,706	22,880
3	COAST REGION	1. Mkuranga	6,798	5,000
		2. Rufiji	1,208	1,157
		3. Kibaha	719	104
		4. Bagamoyo	347	10
		5. Kisarawe	826	24
		6. Mafia	N.A	39
		TOTAL	9,898	6,624
4	DARES SALAAM	1. Ilala	-	554
		2. Temeke	1,709	1,523
		TOTAL	1709	2,077
5	RUVUMA	1. Tunduru	6,595	6,598
		2. Namtumbo	-	60
		TOTAL	6,595	6,658
6	TANGA	1. Tanga	374	-
		2. Pangani	1034	20
		3. Korogwe	218	-
		4. Muheza	1,017	10
		TOTAL	2,643	30
7	OTHERS	1. Kyela	62	-
		2. Ludewa	50	300
		3. Kilosa	17	-
		TOTAL	60,602	92,573
		SOURCES:TANITA, DSM(2003) TCMB (2007)		

3.4.5 Competing Buyers (Raw material)

The project will have to compete with a number of other cashew nut processing industries for the raw material. Research by consultants indicates that the total current annual processed tonnage amounts to a limited percentage of 20% – 25%. The bulk is therefore being exported raw.

These Units are currently the following:-

S/ N	Location	Name of the Project	Installed annual cap. (ton)	Operating status	Year Installed	Year last operated.
1	DSM	1.Mbagala TANITA II	12,000	X	1979	1995
		2. TANITA I	12,000	✓	1968	1992
		3. Mohamed Enterprises	6,000	✓		
		4. Others	2,500	✓		
		5. Fursa Sawa	300	✓	2003	
2	Coast	6. Kibaha Cashewnut factory	10,000	✓	1980	1966
3	Lindi	7. Newala Factory I	10,000	X		
		8. Newala Factory II	10,000	X		1982
		9. Lindi Company	10,000	X	1968	
		10. Mtwara Factory	5,000	X	1979	1966
		11. Nachingwea Factory	5,000	X	1968	1988
4	Mtwara	12. Mtwara Cashewnut Co Ltd	8,000	X	1968	1996
		13. Likombe C.P. Factory	10,000	X		
		14. Masasi Factory	300	✓	2003	
		15. Fursa Sawa	5,000	✓		
5	Ruvuma	16. Tunduru Cashewnut Factory	10,000	X	1978	
Total		16	116,100			
Source: Interviews/Survey by consultant						

All the active processors requirement of raw cashew nuts is less than 25% of total production. It can therefore be concluded that, at present there are sufficient quantities of raw cashews for processing, provided funds to procure are firmed up and made available all the time. Stocking around 750 - 1155 tons per annum should not constitute a big problem for the project.

2.5 Project Implementation Schedule.

The following implementation plan is envisaged.

No.	Activities	Timing	Comments
1	Finalisation of Feasibility Study	End-December, 2007	-
2	Incorporation of the Company, granting of Business License, Opening of Bank account	Mid-March, 2008	-
3	Submission of study to financiers	Early April 2008	-
4	Financier's Approval	Mid-April, 2008	Approval necessary to firm up Machinery Order
5	Recruitment of Project Manager & Office Attendant	Mid-April 2008	Key Staff: Project Manager, Production & Accounting Personnel
6	Placement of order for plant, machinery & Equipment.	End of April, 2008	Delivery time is said to be 6 weeks from date of placement of order.
7	Plant Delivery	July, 2008	2 months from date firm order complying with agreed supply conditions. Could be slightly earlier if supplier visited and pushed by investors.
8	Completion of Factory Civil Works	Late June 2008	Civil works almost 70% complete by 30 th November
9	Installation of Plant Equipment & Accessories	To take place in July-August, 2008	To be done by plant supplier's engineer(s). Installation estimated to take 40 days
10	Procurement of Raw Materials	October, 2008	To ensure availability of cashewnuts for training and trial production
11	Recruitment and Training of Production Staff	Take place from September-November, 2008	By trainers from Machinery suppliers
12	Trial Production	Late November 2008	To be supervised by plant supplier's engineers
13	Commencement of Commercial Production	January 2009	Including necessary rectifications and adjustments.

The time schedule presented takes into consideration timely approval of this proposal by the financiers and allocation of equity funds by the stakeholders. Subject to that, the project is planned to start processing the 2008/2009 cashewnut crop. Provisions will however have

training purposes and trial production which is scheduled to take place prior to commencement of the buying season of 2008/09.

3.0 THE MARKET

3.1 The Product

The cashew industry is one of the industries which provide livelihood to the rural population along the coastal regions of Tanzania. Main cashew nut producing Regions are Mtwara and Lindi while Coast, Tanga and Ruvuma produce significant quantities. Production potential exists for the expansion of the crop in Ruvuma, Coast and Morogoro regions - indeed the whole area east of a straight line between the Matengo highlands, along the east of the Udzungwa Mountains, up to the land between the Usambara Mountains and the Indian Ocean. The cashew nut zone extends across the borders into Kenya and Mozambique which are also important producers of the crop.

4.1.1 End use of Cashew nuts

Many uses can be attributed to the cashew tree – roots, trunk, leaf and fruit. The most important use is, however, concentrated in the fruit which produces fruit juice for fresh and preserved consumption; and the cashew nut and its derivatives - cashew kernels as precious food; and cashew nut shell liquid for industrial use.

The kernel is the edible portion of the nut and is the most important reason for the industry. It is consumed roasted or salted or as a confectionery. It can be developed further to bakery products. Finely ground kernels can be used in the production of sweets, ice creams and cakes. In industry cashew kernels can be used to produce creams and paste for direct consumption or for complementary application on bread.

Cashew kernels satisfy different tastes. About 60 percent are consumed salted as part of the snack food market. They constitute a good selling line as appetizer to cocktail drinks. Per unit price of cashew nuts is much higher than the price of close substitutes such as peanuts or almonds. They normally serve the up-beat markets (the richer segments) of the society as a luxury product.

3.2 Project justification

4.2.1 Supply of Cashew nuts

The history of cashew nuts production in Tanzania dates back to the 1930s. Effective cultivation started during the last decade of the colonial rule during the 1950s. Production rose rapidly after independence in 1961 reaching its peak of 145,000 tonnes in the 1973/74 season. This fell to a low of 16,000 tonnes in 1981/82 but recovered to 122,000 tonnes in 1999/00 season. Table in Section 3.4.2 shows the production trend over the period of 30 years.

4.2.2 Reliance on the Export of Raw Cashew nuts

Cashew nut is one of the leading foreign exchange earners of this country. Out of 121,207 tones produced during 1999/00, 119,135 tones worth USD 123,792 million were exported to India. On average the cashew crop contributed USD 70,515 in foreign exchange per annum for the last 10 years. Table 2 above (section 3.4.4) shows production and export of cashew nuts over the period from **1995 – 2005**.

4.2.3 Limited exports of Processed Cashew nuts

Exports of raw nuts and Kernels 2004 -2006 have been as shown below:-

Year	Raw cashew nuts		Kernels	
	Weight (MT)	Value (USD million)	Weight (MT)	Value (USD million)
2004	82,890	67.11	892	2.37
2005	50,565	40.37	1,740	6.58
2006	55,064	35.63	3,821	15.00

Source: Customs and Excise Department, TRA

3.3 Increase of earnings from Cashew nuts

For more effective participation in the global market and optimal foreign exchange earnings:

4.3.1 Harness the Land potential

Raw nuts availability can be increased dramatically if all cashew trees in the bush are tended properly. This is a short term issue. But more important is the fact that there is still a lot of land in the traditional supply regions which should be made available to farmers for the expansion of acreage and application of science and technology in modernizing cashew nut cultivation. Furthermore the financial system should be ready to participate in a deliberate commercialization of the crop. The government at all levels should be liberal in the allocation of land to willing and capable farmers and allow land consolidation.

4.3.2 Processing into Kernels

Processing adds value to raw nuts.

Three types of processing can be identified namely, household processing, Small scale processing or large scale automated processing.

- (i) Household processing: the nuts are dried in the sun, pan fried and cracked by simple tools such as a wooden hammer. The kernels are then rid of the outer covering (*testa*) after which they are ready for roasting and consumption.
- (ii) Small scale processing technology: these processors dry the nuts in the sun and then roast them on metal sheets. After roasting, the nuts are spread on sand beds to dry and to get rid of the cashew nut shell liquid (CNSL). The nuts are then cracked by wooden hammers to recover the kernel. Then the nuts are left to cool off and the testa (outer layer on the nut) is removed through scrapping using a kitchen knife.
- (iii) Large scale processing: this is an industrial process by which nuts are dried in sheds The nuts are then steam cooked from which stage the nuts are taken for cutting to remove the outer shells and extract the kernels. The kernels are then dried and peeled to remove the testa after which stage the kernels are graded.

The Value Effect of Processing

The technical yield of the process is 25%. That is to say one metric ton of raw nut gives 250 kg of processed cashew kernels and other products listed in column number 1 plus 7% of Cashew Nut Shell Liquid (CNSL).

Processed Products	Composition of processed product	Yield per unit of raw nuts	FOB price per Metric Tonne
Cashew Kernels		0.250	
Whole white	0.30	0.063	4,540
Notched white	0.20	0.042	4,320
Notched Small White	0.18	0.0378	4,130
Notched Broken small white	0.12	0.0252	3,380
White Morsel	0.12	0.0252	3,190
White Broken Morsel	0.08	0.0168	2,810
CNSL-Oil		0.07	300

Kernel Yield and revenue from one tonne of Raw Cashew nuts

Product description	Recovery (kgs)	Proceeds in USD
Whole white	63	286
Notched white	42	181
Notched Small White	37.8	156
Notched Broken small white	25.2	85
White Morsel	25.2	80
White Broken Morsel	16.8	47
CNSL-Oil	70	21

Total	280	856
-------	-----	-----

At a time when the price per tonne of raw cashew nut is USD 330, processing it to cashew kernels and Cashew Nut Shell Liquid (CNSL) earned about USD 856; raising the income by about 160%. Exporting processed cashew products in real terms retains this amount in the domestic economy in the form of wages, rents and profits.

The main objective of the project is to build a modern facility for processing cashew nuts and export value added products at a profit. This is based on the ample availability of raw cashew nuts, prevalence of opportunities for expansion through acreage and other resources and commercial benefits from processing.

3.4 End Products of Cashewnut Processing

The end products of processing cashew nuts are Cashew kernels, Cashew nut Shell Liquid and cashew waste. Three categories of kernels can be identified namely wholes, large pieces (including splits) and small pieces:

Both the superiority of the processing method and quality of the products are given by the proportion of whole nuts recovered, the colour of the kernels so recovered, the size and shape of the nuts. To maximize the recovery of whole grades a manual technology shall be applied by the project.

Whole kernels are normally graded on the basis of the number of nuts per pound. They include the standard 180s, 210s, 240s, 320s, and 450s. While the proportion of these grades is given by the region the cashew trees are grown, the technology applied in processing will determine the proportion of 'wholes' recovery versus the broken grades. It is for these reason relatively small processors apply manual processing techniques which recover more of the whole grades than the broken grades. Similarly efforts will be made to source the best grades of nuts preferably from Nachingwea, Newala and Tandahimba; areas which produce some of the best quality raw nuts in the country.

The technology in application is responsible for the proportion of the broken grades. These are classified as large pieces, splits and small pieces. They are also classified as chips (notched), splits, butts or baby bits. Staff will be trained to minimize the production of the broken grades.

Packaging

The normal packaging used for the export of kernels is airtight cans of 11.34 kg (25 lbs) weight capacity. The packaging material needs to be impermeable, since cashew kernels are subject to **rancidity** and go stale very quickly. This consists of removing all the air from the can and substituting it with carbon dioxide (CO₂). The advantage of packing cashew kernels in carbon dioxide is that it will not support life so any infestation that may have been present is therefore arrested. Packaging will adopt the vacuum packaging which is the most appropriate for the upbeat markets

3.5 Demand Characteristics

The United States is the largest importer of cashew kernels, accounting for between 50 and 62 percent of world imports (Pallangyo 2006). Other importers include the Netherlands (ten percent), Germany (seven percent), Japan (five percent) and the United Kingdom (five percent). The former Soviet Union was previously a major importer of cashew kernels, but with recent economic changes trade to this part of the world has diminished. Other emerging markets include the Middle East, South East Asia and Australia.

Tanzania's export earnings from cashew kernels have been growing in recent years, expanding from USD 2.4 million in 2004 to about USD15 million in 2006. This can be attributed to the relative success in the expansion of sales to the US, the Netherlands and South African markets. While shipments to South Africa increased by 42% from 325 tonnes in 2004 to 464 in 2006, sales to the Netherlands expanded threefold from 329 in 2005 to 1,045 tonnes and those to the USA increased by 700% from 210 to 1,691 tonnes in 2006.

More country participation in the kernel markets has absorbed any supply gains from both traditional suppliers and new comers. Over the last three years more countries have participated in the clearing of the kernel output. Apart from the largest four buyers The USA, South Africa, The Netherlands and the UK, more buyers keep immersing with Tanzania taking up market shares in Russia, Ireland, Saudi Arabia, India, Belgium, Pakistan, Germany, Canada and Indonesia. Newer smaller trading partners such as Colombia, Hong Kong, Kenya, Sri Lanka, Poland and Thailand crown Tanzania's markets as diverse transcending very different geographical, cultural and commercial diversity. There is no geographical, cultural, or commercial distance in the consumption of Tanzania's cashew kernels. Tanzania enjoys a big market of 19 countries which indicates the existence of a huge market larger than we can service and there is no reason to justify Tanzania's dependence on raw nut exports or the Indian monopoly.

Market access schemes aiming at the elimination of tariff escalation and peaks, which are barriers to imports of value-added products from developing countries. It is worth while noting the positive developments in this area in terms of opportunities generated by the African Growth and Opportunity Act (AGOA) and the Everything but Arms (EBA) Initiatives. More needs to be done such as further simplification of the rules of origin to enable the targeted countries make more effective use of these market access facilities.

3.6 Supply side Factors

4.6.1 Raw Materials

Even under difficult conditions cashew nut farmers are ever willing and ready to produce cashew nuts. This loyalty along with price incentives has been instrumental in the speedy recovery of the Industry towards the end of the 20th century. This along with the development of human, financial and physical infrastructure has made the cashew industry sustainable in the traditional cashew growing areas.

The company can purchase raw materials (raw cashew nuts) by one or both of the following methods

1. By sending employees and trucks to purchase cashew nuts in the warehouses designated by the government. These employees work under the control of managers to be set up by the company to control operations in the cashew producing regions.
2. By contracting a Mtwara/Lindi based trader to act as the company's agent to buy nuts from the Warehouses.
3. Up to the moment more than 80% of the crop is exported raw to India which guarantees availability of the crop for medium processors for a long time to come.

4.6.2 The Government is desirous to improve Marketing

Currently a Warehouse receipt system is being developed after serious problems occurred in the marketing system during the 2006/07 season. This system assures farmers of reliable and organized marketing and buyers get access to the crop without the inherent chaos.

4.6.3 Industry Challenges

There are however quite a number of factors needing immediate attention in order to make profitable investments in this sector. Such challenges include among others the disorganized procurement system, inadequate Research and Development expenditure, inadequate extension services and inappropriate processing technology,

Some priority areas relevant to the success of the project will require close scrutiny, and follow up by promoters.

A comprehensive Cashew nut Improvement programme, currently on going in Tanzania, covering research, development, extension, input supply and marketing, needs careful monitoring and review so that the production of raw cashew nuts is able to grow on a sustainable basis to ensure adequate raw material for processors.

On the Domestic Markets arena, a survey of the organizational setting and control of quality standards, and prices should be carried out leading to formulation of conducive marketing policies,

As regards international market, Tanzania should encourage setting up of a Regional Intelligence Unit to gather information international marketing of kernels, and raw nuts (since it is still there) and CNSL.

4.6.4 Changing technology in processing

Tanzania is a high cost area on account of high electricity costs, lack of enough skilled labour, expertise.

4.6.7 Donor Support

Cashew nuts are a poor man's crop. It is however a rich man's preference. The irony of it is that the producer stays poor as the rich man who pays a premium price remains insensitive to the woes of the other group.

FAO and the Horticultural Group

The FAO, through the Horticultural crops group has taken initiative to promote diagnostic studies in order to have a first hand assessment of the cashew nut industry including the identification of major constraints has identified priorities and recommended possible inter-country collaborative mechanisms, covering eight countries of Angola, Guinea-Bissau, Kenya, Mozambique, South Africa, Tanzania, Uganda and Namibia. Promoters/ sponsors of this project are advised to familiarize themselves with the FAO studies and make use of their findings

The Common Fund for Commodities (CFC)

The United Nations under the auspices of the FAO/UNCTAD established the Common Fund for Commodities (CFC) and vested in it the responsibility to address the main concerns of commodities such as cashew nuts.

The Common Fund operating under a commodity focus entails concentrating on the general problems of commodities of interest to several developing countries. The activities of the Fund, as included in its Five-Year Action Plan 2003-2007, mainly comprise:

- Improving market access and reliability of supply for primary products and their derivatives.
- Expand processing and export earnings of primary products in developing countries;
- Improve the competitiveness of commodities and enhance the cost effectiveness of commodity production, storage, processing, packaging and transportation of value added products.
- Improve marketing, storage, financing, distribution and transport systems for commodity exports

CFC World Bank Initiative

Common Fund for Commodities and the World Bank have initiated activities to combine efforts on price risk management in East Africa to explore new, market-based, approaches to assist these developing countries better manage their vulnerability to volatile commodity prices of coffee and cotton, to begin with

3.7 The prices

The market for raw cashew nuts in Tanzania is still in the formative stages. It is expected however that with the on going government pressure to liberalize,

streamline and regulate the buying process in the formative stages competitive pricing method shall be applied.

World prices of cashew kernels vary according to the size, class and composition of the product. W320 (320 kernels per pound weight) is the category in highest demand and is the reference point for pricing. International prices for cashew kernels are influenced by the behaviour of market operators. There is no fixed market price and the market is speculative.

The highest price is paid for better quality kernels of the W180 and W210 grades, which are the largest and heaviest grades.

As a major importer of cashew, the USA has a strong influence over the world price, which is fixed in US\$ per pound (1 pound = 0.45 kg). The price of W320 grade (320 kernels per pound) over the last 15 years has ranged from US\$2.73 to US\$3.18. The 1999 price for W320 grade was US\$3.30 per lb (US\$7.2 per kg) FOB, while the current (April/May 2007) price is between US\$2.30 and 2.45 per lb. FOB. Retail prices vary from about US\$4 to 11 per lb (US\$9 to 23 per kg) depending on kernel size and packaging.

Cashew quality is of utmost importance. High quality is a major criterion for success in the world market. India and Brazil have worked hard to ensure high quality of the processed kernels. India's cashew industry was the first to use quality control for improvement of performance. Quality control is administered via the Cashew Export Promotion Council (CEPC).

3.8 Promotion

A trade information system will be created to collect and share market information with Jumbo management.

3.9 Competition

India has a large potential to expand its own output of nuts. While this does not jeopardize Tanzania's access to the Indian raw nut market in the short term, it can have serious effect in the kernels market in the medium and longer terms.

The leading exporters of cashew kernels are India and Brazil. They command powerful influence in terms of pricing, quality assurance, prompt deliveries, promotion and after sales services in the market. Viet Nam, Indonesia and Nigeria are also posing a major threat in segments of export interest to Tanzania.

The extensive market connections of large exporters from Brazil and India make it difficult for smaller exporters to gain market shares in the US and European markets. Importers may appreciate the low prices that small suppliers can offer, but the lack of reliability in quality and deliveries tends to make them favour the traditional, larger and more reputable suppliers.

Cashew kernels service the upbeat segments of world nut consumers. However, it is conspicuously differentiated from distant alternative products such as groundnuts,

almonds, hazelnuts, walnuts, and Brazil nuts. Although these products could pose as substitutes in the nuts markets, cashew nuts enjoy sustainable customer loyalty with much of company profits arising from repeat sales and more successes attributed to sales expansion efforts of mostly multinational companies.

4.0 CAPITAL COST AND FINANCING

4.1 Fixed Capital Cost

The fixed capital cost of the project is currently estimated at USD 450,000 broken down as follows:

S/N	Item	Local	Foreign	Total
1	Land and Buildings	80,000	-	80,000
2	Plant, Machinery & Equipment	10,700	207,500	218,200
3	Motor Vehicles	85,000	-	85,000
4	Stand-by Generator	7,500		7,500
5	Furniture & Fixtures	8,500	-	8,500
6	Pre-operational expenses	14,000	-	14,000
	<i>Sub - Total</i>	205,700	207,500	413,200
7	Contingency (10%)	14,300	22,500	36,800
	Total Fixed Capital Cost	220,000	230,000	450,000

The above fixed costs of the project has been estimated on the basis of the following assumptions:

5.1.1 Exchange Rate Base

Foreign currency conversion of the project costs has been computed based on the an exchange rate of USD 1 = TShs 1,125 (per Bank of Tanzania ruling rates of 24 October 2007)

5.1.2 Land and Buildings

The cost of land and buildings has been based on actual space requirement and actual construction costs of a building measuring 230 sq. ft. The site of the factory is at the SIDO Industrial Estate, Vingunguti, Dar es Salaam. The factory building has been constructed on BOT basis of 25 years.

5.1.3 Plant, machinery, equipment & accessories

The cost of plant, machinery and equipment is based on a recent quotation (dated 12 November 2007) from a reputable supplier in India for Cashewnut Processing Equipment with Agro-fired operated Borma (non-electric) and Flexi Packing unit for Plastic Pouch packing. A full list of Machinery and Equipment required for processing 4 tones / day raw Cashew nuts is attached to this report as Appendix 2.

The cost for each component is as follows:

	USD
a) Cost of Plant, & equipment F. O. B Indian Port	182,00
b) Estimated Ocean Freight to Dar port	7,500
c) Estimated Marine Insurance	500
d) Clearance of Cargo at Port	2,850
e) Transportation to Site	2,850
f) Local facilities to be kept ready	5,000
g) Cost Installation & commission of Equipment	7,000
h) Cost of Experts for on-the-job training	10,500
Sub- Total Costs	218,200

The erection and commissioning of the equipment in Tanzania will be carried out by two (2) experts from equipment suppliers for a total of 40 man-days. The cost of return airfare and other local facilities will be provided by the project. Two other experts in cashew processing to impart On-the-job Training in Tanzania will be provided from India. Their costs have been calculated separately and included in the total cost of plant & machinery above. (See items g and h).

5.1.4 Stand-by generator – USD 7,500

A standby generator has been included to avoid production stoppages. Power cuts still occur in Tanzania, especially during the dry seasons.

5.1.5 Motor Vehicle

For haulage of some 1,155 tons of raw nuts from the supply source, and for local deliveries and staff movement the following motor vehicles have been budgeted.

	USD
Collection truck (7 or 10 tonner)	40,000
One (1) Pick-up for various local deliveries	25,000
One (1) station wagon 4 WD	20,000
Total	85,000

5.1.6 Furniture, Fittings and office Equipment – USD 8,500

Standard furniture, fitting and office equipment i.e. computers, internet connections, etc have been estimated at USD 8,500 and can mostly be sourced locally.

5.1.7 Pre-operational expenses – USD 14,000

These have been estimated as follows:-

COST COMPONENTS	USD
1. Professional Fees	10,000
2. Traveling expenses	2,000
3. Recruitment expenses	1,000
4. Training expenses	2,500
5. General expenses	1,000
Total	14,000

5.1.8 Contingency –USD 36,800

A contingency at 10% of total fixed cost sum of USD 36, 800 has been budgeted to take care of any unanticipated cost overruns.

4.2 Working Capital Requirement

Working capital required during the first three years of operation has been estimated as follows:

Year	USD'000			
	1	2	3	4
STOCK*				
Raw Cashewnuts (6 months)	219	250	282	282
Packing material (2 months)	2	2	2	2
	220	252	284	284
DEBTORS				
Receivable (1 month)	100	114	129	129
Total Current Assets	321	366	413	413
CURRENT LIABILITIES				
Utilities (1 Month)	2	2	2	2
Salaries & wages (1 month)	41	41	41	41
Total current liabilities	43	43	43	43
Net Current Assets	278	323	370	470
Increase in W. Capital	278	45	47	47

- Note: The buying season spreads over six months, starting in October and ending in March of each year.
- However, by January about 90% of the crop is usually already bought by exporters and operators.

It is therefore recommended that:

- Normal purchasing should be done between October and December.
- With effect from January, the project should buy in bulk (6 month requirement) of stocking to enable processing to be sustained for 11 months in a year.

4.3 Financing Plan

The proposed investments will be financed by equity and term loan as follows:

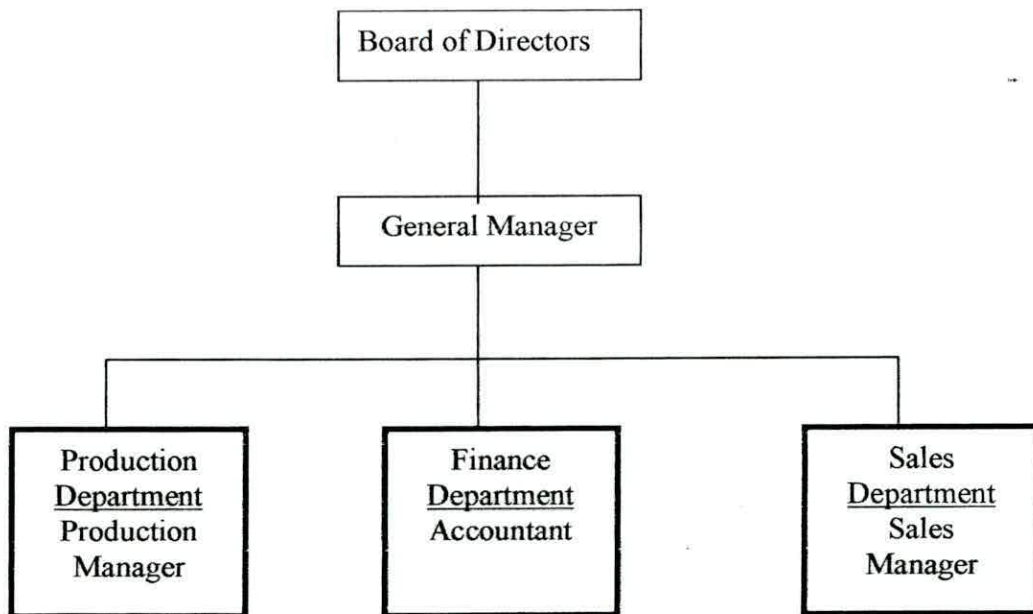
Source	USD		
	Local	Foreign	Total
<u>EQUITY:</u>			
Shareholders contribution	225,000	-	225,000
EADB contribution *	75,000	-	75,000
	300,000		300,000
<u>LOANS:</u>			
EADB	220,000	230,000	450,000
TOTAL FINANCING	520,000	230,000	750,000

* The indicated EADB's equity funding is in line with the Bank's condition of not holding more than 25% shareholding in any single venture; the equity in this project being USD 300,000.

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organization Chart

A tentative organization chart of the company is presented below:



5.2 Management

The overall management of the company will be vested in the Board of Directors. The Board will however appoint a General Manager, who will be the Chief Executive of the company. The General Manager will be assisted by competent line managers, who will include production, finance and administration and marketing managers. Two expatriates will be hired to supervise training of operators and assist the general manager in the overall management of the factory including setting up of quality stands. Their job descriptions will be prepared to clearly stipulate their roles and limits to avoid conflicts between them and the General Manager.

5.3 Employment

The project is expected to generate direct employment opportunities for 390 people. These will be recruited mainly from the project area, in Dar es Salaam and beyond, if need be.

6.0 FINANCIAL ANALYSIS

6.1 Revenue Assumptions

6.1.1 PRODUCTION.

The plant operations will be based on the following assumptions:-

- 1) The factory's rated capacity will be 1,100 tons of raw cashew nuts per annum,
- 2) The factory will operate for a period of eleven (11) months, i.e. from November to September of each year;
- 3) Projected working days will be 275 days a years, i.e. 25 days per month;
- 4) The plant will initially operate on a single shift of 8 hrs a day, shelling 4 tons/ day
- 5) Efficiency – the plant is planned to produce at 70%, 80% and 90% of installed capacity during the first, second, and third years of its operation respectively. Efficiency is expected to grow with gain of skills by operators,
- 6) Recovery (yield) is estimated at around 25% of input raw material.

On the basis of 1,100 tons of raw nuts per annum and assuming utilization of 70% of installed capacity in the first year to 80% in the second year and steadying at 90% in the third year onwards, production has been computed as follows:

Year	1	2	3+
Rated capacity (in tons)	1100	1100	1100
Capacity utilization	70%	80%	90%
Raw materials requirement	770	880	990
Production of kernels	192	220	248
Production in Kg of kernels	192,000	220,000	248,000

6.1.2 SALES REVENUE

(a) **GRADING:** Kernels are usually graded as follows:

Grades (Designations)	Number of Kernels	
	Per Kg	per lb
a) W 180		180
b) W 120		120
c) W 240	485 – 530	220 – 240
d) W 320	660 – 705	300 – 320
e) W 450	880 – 990	400 – 450
f) W 500		500
g) S.W I	Scorched wholes second grade (whole kernels slightly burnt brownish)	

9.0 PROJECT RISKS

9.1 Risks Envisaged

- Inadequate supply of skilled hand processors
- An unpredictable rise in price of raw cashew nuts prices pronounced by governmental agency (TCMB) at the beginning of cashew nut buying/selling season;
- Competition in the event of substantial revival of the 12 large processing plants that have been idle resulting in scramble for raw cashew nuts.
- If producing countries seriously embark on cashew nut growing programmes may create severe competition at the world market.

9.2 Mitigation Measures

- Local processors will be well selected from primary school leavers and undergo a rigorous initial and continuous training. On-the-job training expert from the machinery suppliers will be engaged for an initial period of one year.
- The TCMB Board sits annually to review and set prices of raw cashew nuts. The project sponsors should advocate for representation on the review forum. Furthermore, the shareholders are advised to intensify their cashew nuts growing activities to supplement and/or provide at least the bulk of the required raw cashews which will be accessed at a reasonable price for processing in their factory.
- Revival of the 12 large processing plants has so far been very gradual with only a few plants revived so far, requiring only around 20 – 25% raw cashew nuts annually for processing. The bulk of cashew nuts is exported raw to India.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions

- a) The proposed cashew nut processing project is not only timely but essential for exploiting the abundant raw cashew nuts resources (2007/08) \approx 92,000 tons) currently exported raw (80%) at the expense of the Tanzania economy. The policy of the country is to continuously increase production and quality of the raw cashew nuts.
- b) There is a large unemployed population of youths in the country, and especially in the project area of Dar es Salaam. The project will generate direct employment to 390 people, thus contributing to poverty alleviation through income generation, in a modest way.
- c) The semi-mechanical technology from India is proven. Coupled with training to be provided by experts from the machinery suppliers' country the output of whole kernels will be guaranteed and the quality boosted and maintained.
- d) There is a good potential market for kernels in the importing countries as outlined in the Marketing chapter. Given a well articulated marketing strategy the project should not experience problem in exporting 250 tons of kernels processed per year.
- e) The promoters of the project are seriously committed to a successful execution of this project.

10.2 Recommendations

1. Although the India semi-mechanical technology is well known, sponsors/promoters should send a technical team of two people to the machinery suppliers:
 - a. to make the final selection and vetting of the plant machinery and equipment;
 - b. Interview and select the experts who will come to Tanzania to install, train and oversee initial production; and
 - c. Negotiate installation arrangements prior to placing of a firm order for the same.
2. The promoters should make an early identification of the project manager to ensure she/he takes over the activities of the project implementation, which are crucial for the success of the project, right after firming up the project funding.
3. Since the project is technically feasible, economically desirable and financially viable, fast implementation of the venture is highly recommended to avoid

- h) S W II Scorched wholes, second grade
- i) D.W.I Desert wholes – 1st grade (spotted kernels)
- j) D.W. II Desert wholes – 2nd grade

KERNEL PIECES GRADES

- a) LWP Large white pieces
- b) SWP Scorched white pieces
- c) DP Desert Pieces
- d) Butts Broken kemels of half or tips end
- e) Splits Clearly split kernels in various sizes
- f) B.B Baby Bits, etc.

There are many variable pieces' grades depending on the processor's technology in application, including CASHEWNUTS WASTE grade.

(b) PRICES

The above different grades are all marketable at different market prices with the highest grades fetching approximately USD 2.95 per pound (equivalent to USD 6.49 per kg). Current prices quotations obtained from the Board of External Trade (BET) indicate that the prices for the commonly yielded few high grades are:

Grade	Yield Proportion	FOB Dar (USD/Kg)
W 320's	28.1	USD 5.896
W 450'S	5	USD 5.720
SPLITS		USD 5.390
L.W.P	10	USD 2.640

Sales projections have been based on an average price of USD 5.72 per Kg, it being understood that the recovery percentage of whole kernels by use of the technology chosen will be above 85%.

(c) SALES

IN USD

Year	1	2	3+
Quantity in Kg	192,000	220,000	248,000
Price per kg (USD)	5.72	5.72	5.72
Sales in USD '000	1,098,000	1,207,000	1,356,000

6.2 Operating Costs

6.2.1 Cost of raw materials.

The government has announced a price of T. sh 610 per Kg of raw cashew nuts bought from primary society's godowns.

To this a cess of 5% i.e. T. sh 30.50 has been added. Another 6% T. sh 36.60 per kg has been added to take care of transport costs to the factory from the raw cashew nuts procurement source. A price of TShs 677,100/= per ton or USD 541.680 per Ton has been adopted through out the project life. Any changes in price will be adjusted by change of selling prices, competition allowing. The cost of raw cashew nuts has therefore been worked out as follows:

USD '000					
Year	1	2	3	4	5
Raw materials required (T)	809	924	1040	1040	1040
Price per ton	542	542	542	542	542
Total Sales in USD'000	438	501	564	564	564

6.2.2 Cost of Packing Materials

The final product, k mels, will be packed in vacuum sealed polyethylene bags of 10kg capacity each. The polyethylene materials will be of a food quality. Three to four packages of 10kg each will then be packed in paper carton ready for exporting or local distribution. Costs of the two packaging materials (polyethylene bags and paper cartons) have been worked out as follows:

Polyethylene bags

Year	1	2	3	4
Number of bags required	192,000	22,000	24,800	22,500
Price (USD/PC)	0.40	0.40	0.40	0.40
Total Cost USD	7,680	8,800	9,000	9,920

Paper Cartons

Year	1	2	3
No. of Paper Cartons	4,800	5,500	6200
Price per carton in USD	0.50	0.50	0.50
Total Costs (USD)	2,188	2,500	2,813
Total Packaging materials (USD)	9,188	10,500	11,813

6.3 Overheads

6.3.1 Power and utilities

- 1) Fuel – is estimated at USD 2,200.
- 2) Electricity is estimated at: USD 20,800
- 3) Water: is estimated at. USD 1,485
- 4) Miscellaneous expenses are taken at USD 5,000

Sub-Total Power and Utilities is USD 29,485.

6.3.2 Repair & Maintenance

Repair and maintenance costs are based on a percentage of the total cost of fixed assets and calculated as under:

Item	Value	Rate	USD
			Cost
1. Land & Buildings.	80,000	2.5%	2,000
2.Plant/M/CContingency	229,240	5%	11,462
3. Stand-by generator	7,500	5%	375
4. Motor vehicles	85,000	10%	8,500
4. Furniture & Fixtures	8,500	2.5%	213
Total cost	418,240		22,550

6.3.3 Production Salaries

The total requirement of workers is given by the suppliers as 376 workers detailed out below:

				USD
Area Operation	No.	Rate per Person/m	Rate Per month	Total Bill
1. Production Manager (Trainee)	1	400	400	4,800
2. Quality Controller	1	350	350	4,200
3. Rawnuts godown & Drying				
Un- skilled	2	72	144	1,728
Semi-skilled	1	72	72	1,876
4. Steam Roasting m/c				
Un-skilled	4	72	288	3,456
Semi-skilled	1	72	72	864
5. Cashew shelling m/c				
Semi-skilled	2	72	144	1,728
Unskilled	120	72	8,640	103,680
6. Cashew driver (Electrical)				
Unskilled	2	72	144	1,728
7. Humidifier	1	72	72	864
8. Peeling Table				
Unskilled	195	72	14,040	168,480
Semi-skilled	2	72	144	1,728
9. Grading Table				
Unskilled	40	72	2,880	34,560
Semi-skilled	1	72	144	1,728
10. Sizing m/c	1	72	72	864
11. Flex filling	2	72	144	1,728
Total	376	-	27,685	332,220
TOTAL			27,685	332,220
ADD: 25% Fringe benefits:			6,921	83,055
Total Salaries & Wages			34,606	415,275

6.3.4 Administrative Salaries & Wages

USD

Category	No	Rate per Person/m	Rate Per month	Amount Bill
1. General Manager	1	450	450	5,400
2. Accountant	1	350	350	4,200
3. Human Resources officer	1	250	250	3,000
4. Marketing Manager	1	300	300	3,600
5. Documentalist	1	240	240	2,880
6. Mechanic cum electrician	1	240	240	2,880
7. Procurement assistant		200	200	2,400
8. Secretary	1	200	200	2,400
9. Drivers	3	72	216	2,592
10 Watchmen/Security guards	3	72	216	2,592
Total	14	-	2,662	31,944
Add: Fringe Benefits & Social Costs (25%)		-	666	7,992
TOTAL	14	-	3,328	39,936

6.3.5 Administrative and Selling Expenses

These have been estimated at 5% of total projected sales to cover stamp duty costs, insurance, levies, marketing and exporting costs, port charges, and general administrative costs. They have been calculated as follows:

USD '000

Year	1	2	3	4
Total sales	1,098	1,258	1,419	1,419
Cost as - <i>percentage of Sales</i>	5%	5%	5%	5%
Total Adm. & Sell. Exp	55	63	71	71

6.3.6 Depreciation and Amortization

Depreciation and amortization of the various assets have been calculated on the basis of current tax depreciation rates while amortization of pre-operational expenses has been spread over the initial five years of operation as shown below:

USD

Assets	Cost	Rate	Amount
Land and Building	105,760	4%	4,230
Plant, M,C Equip & Access	229,240	12.5%	28,655

Stand by generator	7,500	12.5%	936
Furniture & Fixture	8,500	12.5%	1,063
Motor Vehicle	85,000	25%	21,250
Pre-operational Expenses	14,000	20%	2,800
TOTAL	450,000	-	59,999

6.3.7 Interest and Loan Repayment

Year	Outstanding Balance	Repayment	Interest	Total
0	450,000	-	54,000	54,000
1	450,000	-	54,000	54,000
2	375,000	75,000	45,000	120,000
3	300,000	75,000	36,000	111,000
4	225,000	75,000	27,000	102,000
5	150,000	75,000	18,200	93,600
6	75,000	75,000	9,000	84,000
7	-	75,000	-	75,000
8	-	-	-	-
9	-	-	-	-

- Principal : USD 450,000
- Interest : 12%
- Repayment: By six equal annual installments.
- Grace Period: 2 years

6.4 Project Profit and Loss statement (Appendix 1)

The project profit and loss accounts show that the project will incur a small loss of USD 29,000 during its first year of operation before making a pre-tax profit of 54,000 USD attainable in year two of operations the pre-tax profit will increase to USD 192,000 in the eighth year of operation. The project will be able to declare dividends at 30% in year six rising to 50% by eighth year.

6.5 Project Cash Flows (Appendix II)

The projected cash flows indicate that the company will have enough funds to service the loan and other cash obligations including re-investments as they fall due. Cash balances increase from USD 53,000 in year 1 to USD 436,000 in the eighth year of operation.

6.6 Projected Balance Sheets (Appendix III)

The projected balance sheets show a healthy situation throughout the assumed life span of the project.

The long term liabilities are well covered by the net fixed assets. The current liabilities are more than six (6) times covered by the current assets. The company's net worth increases from USD 271,000 in year 1 to USD 664,000 in year eight (8) of operation.

6.7 Discounted Cash Flows

The discounted cash flows as shown in appendix IV indicate a pre-tax Internal Rate of Return (IRR) is 13%

6.8 Other Financial Indicators.

6.8.1 The payback period of the project with the initial capital cost of the project at USD 750,000 works at about 6 years, calculated below:-

PAYBACK PERIOD

Year	Investment	Profit After Tax	Depreciation	Cumulative
0	750	-	-	(750)
1		(29)	47	(732)
2		38	47	(647)
3		103	47	(497)
4		110	47	(340)
5		116	47	(177)
6		122	47	(8)
7		129	47	168
8		135	47	358

6.8.2 Break-even Analysis (Appendix V)

The break-even point of the project has been calculated at 52% as shown in Appendix v.

7.0 ECONOMIC EVALUATION

7.1 Value added

The project's value added as a measure of its contribution to the GDP works out at approximately 665,880 USD annually as shown below.

	USD
Salaries	450,000
Profit before tax	133,880
Interest on loan	35,000
Average Depreciation	47,000
TOTAL	665,880

7.2 Employment Effects

The cashewnut project is expected to generate direct employment opportunities for about 390 people which is a substantial contribution from a medium scale project such as this one.

7.3 Government Taxes

Tax payable over the eight years projected period is estimated to amount to USD 318,000.

7.4 Foreign Exchange Earning

The project will aim at exporting up to 80% of its production. Foreign exchange earnings for 8 years are projected to amount to USD 8,696,000.

8.0 ENVIRONMENTAL CONSIDERATIONS

8.1 Products of Processing Cashewnuts are:

- Cashew kernels
- Cashew nuts shell liquid (UNSL) and
- Cashew processing wastes -comprising shells, CNSL (if not collected for export) , the '*testa*' and liquid waste i.e. water for processing.

8.2 Measures to Address Environmental Aspects

The promoters of the Southern Jumbo Cashew nuts Company Ltd, are environmentally conscious investors. In this regard appropriate measures will be taken to keep the factory surroundings and the whole processing area in general, extraordinarily clean.

The following will be carried out:-

1. Appropriate landscaping will be undertaken and the area will be surrounded by well selected, exotic plants and flowers to make the atmosphere totally friendly.
2. Solid wastes of 'shells' and the '*testa*' will be fully utilized in the cashewnut roasting process. As explained in the production process part of this report in roasting of cashew nuts, steam cooking, as a recent processing technology, will be used. The cashew nut shells & *testa* will therefore be used for fueling the boiler for production of steam for cooking the nuts.
3. As regards the CNSL, its quantity will be too small to warrant profitable exports. it will therefore be used as kind of fuel.?
4. The liquid waste of the production process will be water that would have been used for soaking the cashew nuts. The water will not be fuel to require any treatment before being recycled and eventually connected to the main sewer for disposal in acceptable manner.
5. Concerning matters of workers and public health, the processing project will use semi-mechanical machines which only demand careful use as are environmentally friendly. Workers who will be involved in the process of boiling, sorting and packing stages will be equipped with protective gears such as overalls, gloves, boots and masks to ensure their safety conditions.
The skilled, semi-skilled and unskilled workers will be trained on-the-job on how to safely operate the machines and carryout the daily operations with maximum safety. A first aid Kit Box will be availed to take care of any cases of injury on the job.

8.3 Clean Production

In conclusion can be said that the industry will not produce any air pollution since no chemicals will be involved at any stage of processing. Furthermore there will be no offensive orders produced during the production process.

From the above assessment, the project faces no environmental problems that require serious mitigation and can thus be rated as environmentally friendly and viable for sustainable economic development.

9.0 PROJECT RISKS

9.1 Risks Envisaged

- Inadequate supply of skilled hand processors
- An unpredictable rise in price of raw cashew nuts prices pronounced by governmental agency (TCMB) at the beginning of cashew nut buying/selling season;
- Competition in the event of substantial revival of the 12 large processing plants that have been idle resulting in scramble for raw cashew nuts.
- If producing countries seriously embark on cashew nut growing programmes may create severe competition at the world market.

9.2 Mitigation Measures

- Local processors will be well selected from primary school leavers and undergo a rigorous initial and continuous training. On-the-job training expert from the machinery suppliers will be engaged for an initial period of one year.
- The TCMB Board sits annually to review and set prices of raw cashew nuts. The project sponsors should advocate for representation on the review forum. Furthermore, the shareholders are advised to intensify their cashew nuts growing activities to supplement and/or provide at least the bulk of the required raw cashews which will be accessed at a reasonable price for processing in their factory.
- Revival of the 12 large processing plants has so far been very gradual with only a few plants revived so far, requiring only around 20 – 25% raw cashew nuts annually for processing. The bulk of cashew nuts is exported raw to India.

10.0 CONCLUSIONS AND RECOMMENDATIONS

10.1 Conclusions

- a) The proposed cashew nut processing project is not only timely but essential for exploiting the abundant raw cashew nuts resources (2007/08) \approx 92,000 tons) currently exported raw (80%) at the expense of the Tanzania economy. The policy of the country is to continuously increase production and quality of the raw cashew nuts.
- b) There is a large unemployed population of youths in the country, and especially in the project area of Dar es Salaam. The project will generate direct employment to 390 people, thus contributing to poverty alleviation through income generation, in a modest way.
- c) The semi-mechanical technology from India is proven. Coupled with training to be provided by experts from the machinery suppliers' country the output of whole kernels will be guaranteed and the quality boosted and maintained.
- d) There is a good potential market for kernels in the importing countries as outlined in the Marketing chapter. Given a well articulated marketing strategy the project should not experience problem in exporting 250 tons of kernels processed per year.
- e) The promoters of the project are seriously committed to a successful execution of this project.

10.2 Recommendations

1. Although the India semi-mechanical technology is well known, sponsors/promoters should send a technical team of two people to the machinery suppliers:
 - a. to make the final selection and vetting of the plant machinery and equipment;
 - b. Interview and select the experts who will come to Tanzania to install, train and oversee initial production; and
 - c. Negotiate installation arrangements prior to placing of a firm order for the same.
2. The promoters should make an early identification of the project manager to ensure she/he takes over the activities of the project implementation, which are crucial for the success of the project, right after firming up the project funding.
3. Since the project is technically feasible, economically desirable and financially viable, fast implementation of the venture is highly recommended to avoid

unnecessary cost escalations and to take advantage of the above benefits outlined herein.

APPENDICES

Southern Jumbo Cashewnuts Ltd

Appendix 1: Projected Income Statements

In USD '000

YEAR	1	2	3	4	5	6	7	8
Income								
Cashew kernels	1,098	1,258	1,419	1,419	1,419	1,419	1,419	1,419
Less: cost of sales:								
Raw cashew nut purchases	438	501	564	564	564	564	564	564
Packing Materials	10	12	13	13	13	13	13	13
Power & utilities	21	24	29	29	29	29	29	29
Spares & maintenance	23	23	23	23	23	23	23	23
Consumables	6	7	7	7	7	7	7	7
Prod. Salaries & wages	415	415	415	415	415	415	415	415
Total cost of sales	913	982	1,051	1,051	1,051	1,051	1,051	1,051
Gross margin	185	276	368	368	368	368	368	368
Less: Operational and financial costs	40	40	40	40	40	40	40	40
1. Adm. Salaries & wages	55	63	71	71	71	71	71	71
2. Administr. Expenses	54	54	45	36	27	18	9	-
3. Loan interest	60	60	60	60	60	60	60	60
4. Depreciation	5	5	5	5	5	5	5	5
5. Interest on O/D								
Total operation & Finance Costs	214	222	221	210	201	192	183	174
Profit Before Tax	(29)	54	147	156	165	174	183	192
Less: TAX @ 30%	-	16	44	46	49	52	54	57
Profit After Tax	(29)	38	103	110	116	122	129	135
Profit Brought Forward	-	(29)	9	112	222	338	370	379
Profit for Appropriation	-	9	112	222	338	460	499	514
Dividends: Rate	-	-	-	-	-	30%	40%	50%
Amount	-	-	-	-	-	90	120	150
Acc: Retained Profit	-	-	-	-	-	-	-	-
profit	(29)	9	112	222	338	370	379	364

Southern Jumbo Cashewnuts Ltd

Appendix 2: Projected Cash Flows

In USD '000

Year	0	1	2	3	4	5	6	7	8
Capital Inflows									
Share Capital	300								
Term Loan	450								
Oper. Inflows									
Profit before Tax	-	(29)	54	147	156	165	174	183	19 2
Depreciation	-	60	60	60	60	60	60	60	60
Total inflows	750	31	194	207	216	225	234	243	26 2
Capital Outflows									
Inv. & Re-invest	450	-	-	-	-	-	85	10	-
Loan repayment	-	-	-	75	75	75	75	75	75
Operating Outflow									
Taxation	-	-	-	16	44	46	49	52	54
Dividends	-	-	-	-	-	-	75	90	12 0
Change in W.C	-	278	45	47	-	-	-	-	-
Total Outflows	450	278	45	138	119	121	209	227	24 9
Net Cash Flow	300	(247))	69	69	97	104	25	16	3
Opening Balance	-	300	53	122	191	288	392	417	43 3
Closing Balance	300	53	122	191	288	392	417	433	43 6

Appendix 3: Projected Balance Sheets

	USD '000							
Year	1	2	3	4	5	6	7	8
Gross fixed Assets	450	450	450	450	450	535	545	545
Less: Accum. Depr.	60	120	180	240	300	360	420	480
Net Fixed Assets	390	330	270	210	150	175	125	65
Current Assets								
Stocks	22	252	284	284	284	284	284	284
Debtors	100	114	129	129	129	129	129	129
Cash & Bank Balance	53	122	191	288	392	417	433	436
Total current Assets	374	488	604	701	805	830	846	849
Current liability								
Creditors	43	43	43	43	43	43	43	43
Taxation	-	16	44	46	49	52	54	57
dividends Payable	-	-	-	-	75	90	120	150
Total current liability	43	59	87	89	92	185	217	250
Net Current Assets	331	429	517	612	713	645	629	599
Total Fixed Assets	721	759	787	822	863	820	754	664
Financed By								
Share capital	300	300	300	300	300	300	300	300
Acc. & Retained Prof.	(29)	9	112	222	338	370	379	364
Shareholders' Not worth	271	309	412	522	638	670	679	664
Loans	450	775	375	300	225	150	75	-
Total Financing	721	759	787	822	863	820	754	664

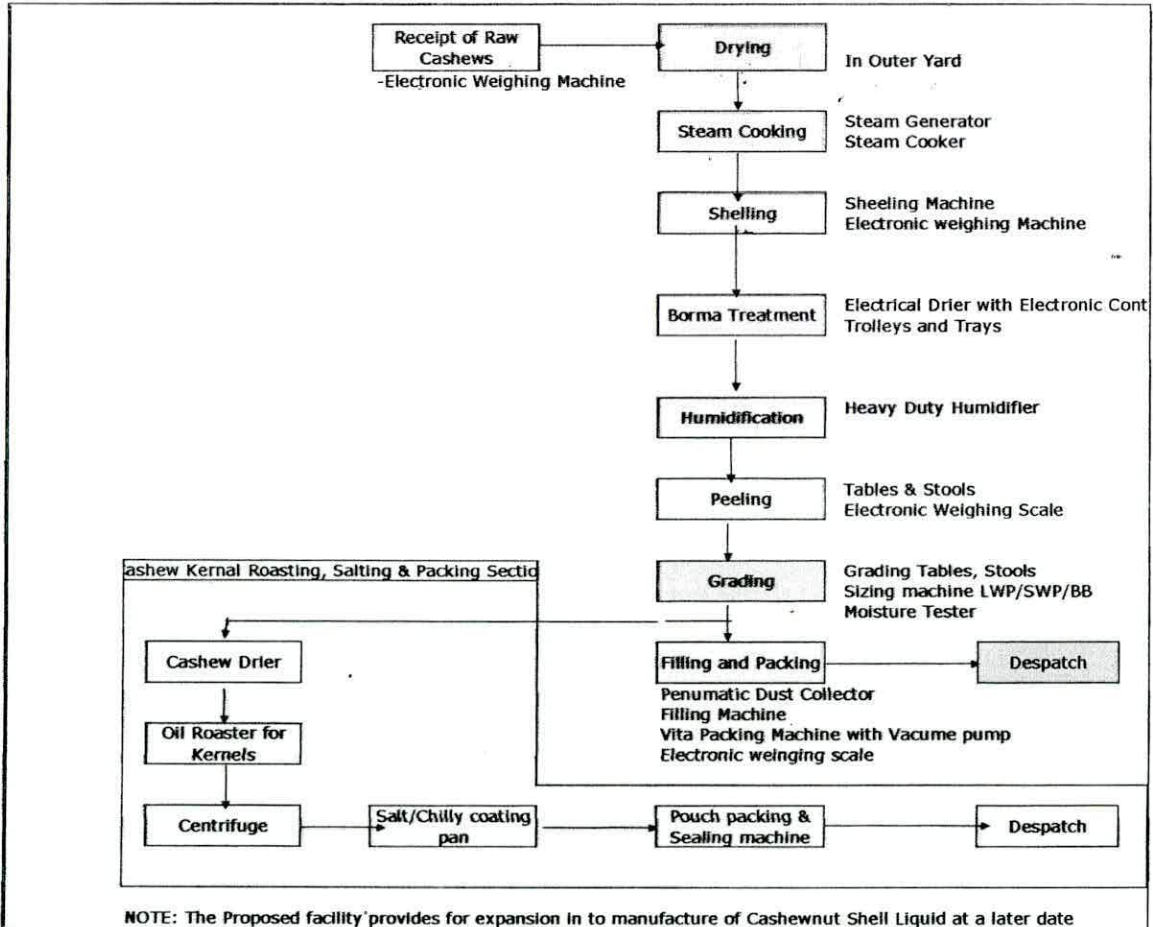
Appendix 4: Discounted Cash Flows

USD '000									
Item\Year	0	1	2	3	4	5	6	7	8
Inflows									
Profit after Tax	-	(29)	38	103	110	116	122	129	135
Depreciation		60	60	60	60	60	60	60	60
Interest		57	57	47	36	27	18	9	-
Residual Assets	-	-	-	-	-	-	-	-	216
		88	155	210	206	203	200	198	195
Outflows									
Invest & Rein	750	-	-	-	-	-	-	-	-
Increase in W.C	-	281	47	47	-				
Net Cash Flow	(750)	(193)	108	163	206	203	200	198	195
The Internal Rate of Return (IRR) is									13%

Appendix 5: Break-Even Analysis

	USD '000		
	Fixed costs	Variable costs	Total
Cost of sales	-	1,051	1,051
Operating costs	111	-	111
Capital & Financial Charge	110	-	110
	221	1,051	1,272
A: Sales Revenue			1,419
B: Variable costs			1,051
C: Contribution Margin			368
D: Fixed Costs			221
E: Contribution margin ratio = C/A			0.26
F: Break-Even Sales = D/E			850
Capacity at Break-even point = F/A			60%

Appendix 6: Production Process Flow Diagram



Appendix 7: Tanzania Cashew Production, 1972 - 2006

Year	Production (MT)
1972/73	125,523
1973/74	145,080
1974/75	117,486
1975/76	83,738
1976/77	97,645
1977/78	68,383
1978/79	57,068
1979/80	40,550
1980/81	56,528
1981/82	44,309
1982/83	32,615
1983/84	47,600
1984/85	32,500
1985/86	20,500
1986/87	16,552
1987/88	24,328
1988/89	19,275
1989/90	17,059
1990/91	29,846
1991/92	41,238
1992/93	39,323
1993/94	46,603
1994/95	63,403
1995/96	81,729
1996/97	63,033
1997/98	99,916
1998/99	106,442
1999/00	121,207
2000/01	122,284
2001/02	67,369
2002/03	92,000
2003/04	78,556
2004/05	81,600
2005/06	93,000

THE COMPANIES ACT 2002

ACT NO. 12

-----00000-----

COMPANY LIMITED BY SHARES

-----00000-----

MEMORANDUM
AND
ARTICLES OF ASSOCIATION
OF
SOUTHERN JUMBO CASHEWNUTS LIMITED

-----00000-----

Incorporated this day of 2008

-----00000-----

Drawn by: EDGAR MAOKOLA-MAJOGO
PROMOTER
P. O. BOX 10832
DAR ES SALAAM

TANZANIA

Stamp Duty Shs. 5000
PAID ON ORIGINAL
Receipt No. 31616693 of 25/3/08
Stamp Duty Officer

THE COMPANIES ACT 2002
(ACT NO. 12)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION
OF

SOUTHERN JUMBO CASHEWNUTS LIMITED

TANZANIA
Stamp Duty Shs. 2500 Paid
Receipt No. 31616693 of 25/3/08
Asstt Registrar of Companies

1. The name of the Company is "SOUTHERN JUMBO CASHEWNUTS LIMITED"
2. The registered office of the Company will be situated in the United Republic of Tanzania.
3. The objects for which the Company is established are:-
 - a. To carry on the business of growing, purchasing, processing and marketing of cashewnuts and derivatives thereof;
 - b. To carry out, promote or sponsor research in any aspect of cashewnuts and derivatives thereof;
 - c. To import, buy, sell and export cashewnuts and allied products;
 - d. To participate in or undertake, on a commercial basis, any enterprise related to or connected with the cashewnut industry;
 - e. To enter into contracts in relation to the design, feasibility studies, erection, construction maintenance, alterations, restoration and repairs either alone or jointly with any other companies, firms, or persons in connection with works in cashewnut business;
 - f. To buy, manufacture, sell, refine, manipulate, import, export and deal in all substances, treat and deal in all kinds of plant, machinery, apparatus, and things capable of being

used in any such business as aforesaid, or required by any customers of or persons having dealings with the company, either by wholesale or retail

- g. To do any act or thing or enter into any transaction which, in the opinion of the Board, is calculated to uphold and support the credit of the Company and facilitate the proper and efficient carrying on of its activities and the proper performance of its functions to attain and justify share holders confidence, and to avert or minimize any loss to the Company; as specified in this paragraph;
- h. To carry on its business operations and activities either within the United Republic of Tanzania or elsewhere, whether as principal, agent, contractor or otherwise, and either alone or in conjunction with any other person, firm or body corporate;
- i. To acquire and take over the whole or any part of the business, property and liabilities of any company or person carrying on any business which the company is authorized to carry on, or possessed of any property or assets suitable for the purposes of the company;
- j. To apply for, purchase, take out or otherwise acquire any patents, patent rights, licences, concessions or inventions, copyright or secret processes and may be licenced to use the same or to sell the same outright or on any terms which may, in the opinion of the Directors, be to the interests of the company and to make, subsidise or assist in experiments, investigations and researches;
- k. To carry on any other business, whether financial, manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with any business of the company or calculated directly or indirectly to enhance the value of or render profitable to any of the company's property or assets;
- l. To act as agents, brokers and trustees for any person or Company and to undertake and perform contracts and also to act in any of the business of the Company therewith or by means of agents, brokers, sub-contractors or others;
- m. To lend money, and to guarantee the performance of the contracts or obligations of any company, firm or person and the payment and repayment of the capital and principal of

- and dividends, interest or premium, on any stock, shares and securities of any company, whether having objects similar to those of the company or not, and to give all kinds of indemnities;
- n. To borrow or raise or secure the payment of money by bank overdrafts, by mortgage, or by the issue of debentures or debenture stock, perpetual or otherwise, or in such other manner as the company shall think fit, and for the purposes aforesaid or for any other lawful purpose to charge all or any of the company's property or assets, present and future including its uncalled capital, and collaterally or further to secure any securities of the company by a trust deed of the other assurance.
 - o. To issue and deposit any securities which the company has power to issue by way of mortgage to secure any sum less than the nominal amount of such securities, and also by way of security for the performance of any contracts or obligations of the company or of its customers or of any other company or person having dealings with the company, or in whose business of undertaking the company is interested;
 - p. To amalgamate with or enter into any partnership or arrangement in the nature of a partnership, cooperation or union of interests, with any company or person engaged or interested in the carrying on or conduct of any business which the company is authorised to carry on or conduct or from which the company would or might derive any benefit, whether direct or indirectly, and to finance, subsidise make donations to or assist any company or person as may be deemed expedient;
 - q. To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, debenture or other negotiable or transferable instruments;
 - r. To adopt such means of making known the products of the company as may seem expedient and in particular by advertising in the news media, by circulars, by purchase and exhibition of works of art or interest, by publications of books and periodicals, and by granting prizes, rewards and donations;
 - s. To distribute any of the company's property or assets among the Member in specie;



- t. To procure the registration or incorporation of the company in or under the laws of any place outside the United Republic of Tanzania
- u. To carry out and procure the recruiting and training of staff and procure administrative, secretarial, managerial and financial services of all kinds in connection with any business or service whatsoever of or for any person, firm or corporation in the world;
- v. To procure capital for any Company, formed for the purpose of carrying into effect any object connected with motor vehicles such as Companies formed for the purpose of motor vehicle credit, and various dealings in and to issue the capital of such Companies and to subscribe for, purchase, dispose of and otherwise deal in the shares, bonds and securities of such Companies, or any other securities;
- w. To institute, acquire, enter into, carry on, assist or participate in financial, commercial, mercantile, industrial, manufacturing works, contract undertaking and financial operations of all kinds;
- x. To do all or any of the above things in any part of the world, and either as principal, agent, trustee or otherwise, and either alone or in conjunction with others, and by or through agents, sub-clause or sub-contractors, trustees or otherwise;

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 incorporated or not incorporated, and whether domiciled in Tanzania or elsewhere, and that the intention is that each of the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be an independent main object and be in no wise limited or restricted by reference to or inference from the terms or any other paragraph or the name of the company.

- 4. The liability of the Members is limited.
- 5. The Initial Share Capital of the Company is Tanzania Shillings One Hundred Million (TShs

100,000,000) Divided into Ten Thousand (10,000) Ordinary Shares of Tanzania Shillings Ten Thousand (TShs.10,000) each. Subject and without prejudice to the rights attached to any class of shares for the time being carrying special rights, the shares of the Company, whether part of the original or any special qualified, preferred or deferred rights and privileges or conditions as to capital dividends, rights or voting or other matters but so that any such rights, privileges or conditions shall not be altered or modified except in accordance with the Articles of Association of the Company for the time being in force.

WE, the several persons whose names, postal addresses and descriptions are described below 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 out opposite our respective names.

NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBER
1 Edgar Maokola-Majogo P. O. Box 10832, DAR ES SALAAM	ONE	
2 Benjamin William Mkapa P. O. Box 7552, DAR ES SALAAM.	ONE	

DATED AT DAR ES SALAAM THIS 11th DAY OF March 2008.

WITNESS TO THE ABOVE SIGNATURES

NAME: 

ADDRESS: DAR ES SALAAM

OCCUPATION:



SIGNATURE:.....

COMMISSIONER FOR OATHS

Stamp Duty Office
Stamp Duty No. 316166930
PAID ON ORIGINAL
Stamp Duty Shs. 5000/-
25/2/08

THE COMPANIES ACT 2002
(ACT NO. 12)
COMPANY LIMITED BY SHARES
ARTICLES OF ASSOCIATION
OF

SOUTHERN JUMBO CASHEWNUTS LIMITED

Stamp Duty Office
Stamp Duty Shs. 5000/-
25/2/08
Receipt Register of Companies

PRELIMINARY

1. **In these Articles:**
- "The Act" Means the Companies Act 2002 (Act No. 12)
 - "Member" Means the registered holder of a share or shares in the Company.
 - "The Seal" Means the Common Seal of the Company.
 - "The Secretary" Means any person appointed to perform the duties of the Secretary of the Company.
 - "The Register" Means the Register of the Members of the Company.
 - "The Dividend" Means the Dividend declared by the Company and includes bonus.
 - "The Board" Means the Board of Directors for the time being of the Company.

Words denoting the singular include the plural and vice versa and words denoting the masculine gender include the feminine gender. Words denoting persons include corporations, companies, cooperative societies and the like. Expressions referring to writing shall unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.

Unless the context otherwise requires, words or expressions contained in these 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 upon the company.

2. The Regulations contained in Table 'A' of the First Schedule to the Companies Act 2002 shall not apply to the company.
3. The Company is a PRIVATE COMPANY and accordingly:
 - (a) The right to transfer shares is restricted in the manner hereinafter prescribed.
 - (b) The number of members of the company (exclusive of persons who are in the employment of the company and of persons who having been formerly in the employment of the company were while in such employment and have continued after the determination of such employment to be members of the company) is limited to fifty (50). PROVIDED THAT where two or more, persons hold one or more shares in the company jointly, they shall for the purpose of this Articles be treated 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.

SHARES

4. The share capital of the Company is Tanzania Shillings One Hundred Million only (TShs. 100,000,000) Divided into Ten Thousand (10,000) Ordinary Shares of Tanzania Shillings Ten Thousand (TShs. 10,000) each.
5. Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of share capital or otherwise, as the company may from time to time by special resolution determine, and any preference share may, with the sanction of a special resolution, be issued on the terms that it is, or at the

opinion of the company is liable, to be redeemed.

6. (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the class) may be varied with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of that class.
 - (b) In every such separate General Meeting the provisions of these Regulations relating to General Meetings should "mutatis mutandis" apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class, and that any holder of shares of the class present or by proxy may demand a poll.
 - (c) For the purpose of this Article, the rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking "pari passu" therewith.
7. Every person whose name is registered as a member in the register of members shall, without payment, be entitled to receive within two months after allotment or lodgment of transfer, or within such other period as the conditions of issue shall provide a certificate under the Seal of the company specifying thereon, provided that in respect of a share or shares held jointly by several persons the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.
 8. If any such certificate shall be worn out, defaced, destroyed or lost, it may be renewed on such evidence being produced as the Directors shall require and in case of wearing out or defacement on delivery of the old certificate and in case of destruction or loss on execution of such indemnity. In case of destruction or loss the member to whom such renewed certificate is given shall also bear and pay to the company all expenses incidental to the investigation by the company of such destruction or loss and to such indemnity.
 9. No part of the funds of the company shall directly or indirectly be employed in the purchase of,

or in loans upon the security of, the company's shares, but nothing in this regulation shall prohibit transactions mentioned in the Act.

10. The Company shall be entitled to treat the person whose name appears upon the register in respect of any shares as the absolute owner thereof and shall not be under any obligation to recognize any trust or equity or equitable claim to or partial interest in such shares whether or not it shall have express or other notice thereof.

LIEN

11. The company shall have a first and paramount lien on every share for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share, and the company shall also have a lien on all shares standing registered in the name of a single person for all moneys presently payable by him or his estate to the company but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this regulation. The company's lien, if any, on a share shall extend to all dividends payable thereon.
12. The company may sell, in such manner as the Directors think fit, any shares on which the company has a lien, but no sale shall be made under or unless some sum in respect of which the lien exists is presently payable, or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share, or the person entitled thereto by reason of his death or bankruptcy.
13. For giving effect to any such sale the Directors may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be bound to see the application of the purchaser money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale.
14. The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the date of the sale.

CALLS ON SHARES

15. The Directors may, subject to any conditions of allotment, from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) provided that (except as otherwise fixed by the conditions of allotment) no call on any share shall be payable at less than thirty days from the date appointed for payment of the last preceding call, and each Member shall (subject to being given at least fourteen days' notice specifying the time or times and place of payment) pay to the company at the time or times and place so specified the amount called on his shares.
16. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
17. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of eight per centum per annum from the date appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.
18. The provisions of these regulations as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
19. The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any shares held by him; beyond the sums actually called upon thereon as a payment in advance of calls which shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is advanced, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which it has been received, at such rate as the Member paying such sum and the Directors agree.

TRANSFER AND TRANSMISSION OF SHARES

20. The instrument of transfer of any share shall be executed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of Members in respect thereof.

21. Shares shall be transferred in the following form, or in any usual or common form which the Directors shall approve:

"I,..... of..... in consideration of Shs. paid to me by.....of..... (hereinafter called "the transferee") do hereby transfer to the said transferee the share (or shares) numbered..... in the undertaking called SOUTHERN JUMBO CASHEWNUTS LIMITED to hold unto the said transferee, subject to the several conditions on which I hold the same and I the said transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands are set below on the day of.....20.....

Witness to the signature of, etc."

22. (1) The directors may decline to register any transfer of shares, not being fully paid shares to a

person of whom they do not approve, and may also decline to register any transfer of shares on which the company has a lien. The directors may also suspend the registration of transfers during the fourteen days immediately preceding the ordinary general meeting in each year. The directors may decline to recognise any instrument of transfer.

a) a fee not exceeding two shillings is paid to the company in respect thereof; and

b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the directors may reasonably require to show the right of the transferor to make the transfer.

(2) If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the company send to the transferee notice of the refusal.

23. The legal personal representatives of a deceased sole holder of a share shall be the only person recognized by the company as having any title to the share. In the only persons recognized by the names of two or more holders, the survivor, shall be the only persons recognized by the company as having any title to the share.
24. Any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be properly required by the directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.
25. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company.

TRANSMISSION OF SHARES

26. In case of the death of a shareholder the survivors or survivor where the deceased was joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the company as having any title to his shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share solely or jointly held by him.
27. Subject to any provision of the Articles any person becoming entitled to a share in consequence of the death or bankruptcy of a member shall, upon such evidence being produced as may from time to time be properly required by the Directors, have the right, either to be registered as a member in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the Directors shall in either case, have the same right to decline or suspend registration as they would have

had in the case of a transfer of the share by the deceased or bankrupt person before the death or bankruptcy.

28. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall be entitled to the same dividends and other advantages to which he would be except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to meetings of the company.
29. Save as hereinafter provided, no shares in the company shall be transferred otherwise than to a person who is already a Member of the company until the rights of pre-emption hereby conferred shall have been exhausted that is to say.
- (i) Every Member or other person referred to in Article 27 who intends to transfer shares (hereinafter called the Vendor) shall give notice in writing to the Board of his intention so to do. Such notice shall constitute the Board his agent for the sale of the said shares in one or more lots at the discretion of the Board to Members of the company at a price to be agreed upon by the Vendor and Auditor of the company for the time being shall certify by writing under his hand, to be in his opinion, the fair selling value thereof as between a willing Vendor and a willing purchaser.
 - (ii) Upon the price being fixed as aforesaid the Board shall forthwith give notice to all the Members of the company of the number and price of the shares to be sold and invite each of them to state in writing within thirty days from the date of the said notice whether he is willing to purchase any and, if so, what maximum number of the said shares.
 - (iii) At the expiration of the said thirty days the Board shall allocate the said shares to or amongst the Member or Members who shall have expressed his or their willingness to purchase as aforesaid, and (if more than one) so far as may be prorata according to the number of shares so notified by him as aforesaid.
 - (iv) Upon such allocation being made the Vendor shall be bound on payment of the said price to transfer the shares to the purchaser or purchasers. If he makes default in so doing the Chairman for the time being of the Directors of the Board or failing him one of the Directors duly nominated by resolution of the Board for that purpose shall

forthwith be deemed to be duly appointed attorney of the Vendor with full power to execute, complete and deliver in the name and on behalf of the Vendor as transferor of the shares to the purchasing Member and the Board may receive and give a good discharge for the purchase money on behalf of the Vendor and enter the name of the shares purchased by him

- (v) In the event of the whole or any lot of shares offered through the Board as provided by this Article not being sold in the manner by this Article provided, the Vendor may at any time within six calendar months after the expiration of the said period of thirty days after the date of the notice given by the Board of the Members, transfer the shares not so sold to any person (subject to any provisions of the Articles) and at any price.

FORFEITURE OF SHARES

- 30. If a Member fails to pay any call or installment of call on the day appointed for payment thereof, the Directors may, at any time day appointed for payment thereof, the Directors may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued, and any expenses incurred by the company by reason of such non-payment.
- 31. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.
- 32. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Directors to that effect.
- 33. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the directors think fit.
- 34. A forfeiture of shares under the preceding Articles shall include all dividends declared in

2865702

22151
DAR ES SALAAM

daressalaam@sido.go.tz

SIDO/DSM-R/IE/23/05/08

2008 12 Septemba, 2006

Mh. Maokola Majogo,
DAR ES SALAAM.

Ndugu,

Kuh: KUBALIWA KUJENGA JENGO LA KARAKANA

Tafadhali rejea somo la habari.

Napenda kukufahamisha kwamba maombi yako ya kujenga karakana katika Mtaa wa Viwanda, yamekubaliwa. Hivyo unatakiwa kufuata utaratibu kama ufuatao:

1. Muda wa kujenga utakuwa miezi sita kuanzia Septemba, 2006 hadi Februari, 2007.
2. Kodi ya pango kwa mwezi itakuwa shilingi 340,000/= sawa na 1m2 kwa shilingi 450/=. Hii ni kuanzia Machi, 2007.
3. Jengo litakapokuwa tayari utalazimika kulipa robo ya kodi ya mwezi yaani shilingi 85,000/= na robo tatu ya kodi ya mwezi shilingi 255,150/= hutalipa hii ni kwa ajili ya kufidia gharama zako za ujenzi.
4. Kila mwaka utahitajika kusaini mkataba upya ili kuendana na mabadiliko mbalimbali.
5. Makadirio ya gharama za ujenzi wa jengo ni shilingi 84,802,700/= na siyo zaidi ya hapo. Endapo utatumia zaidi ya hapo utalazimika kuifanya kama gharama yako.
6. Unaelekezwa kuhakikisha kwamba ujenzi utakaofanywa ni wa kiwango kilichokubalika na ofisi itafanya ukaguzi wa mara kwa mara.
7. Kama umekubaliana na utaratibu huu jaza mkataba ulioambatishwa na kutuandikia barua ya kukubali.

Wako katika huduma,
SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO

MEENA H.S.S.
MENEJA WA MKOA

KBPR/MHSS/nms.

TANZANIA



Certificate of Incorporation

Section 15

No 64823

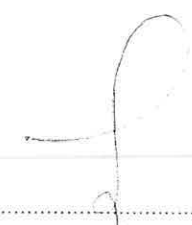
I HEREBY CERTIFY THAT



SOUTHERN JUMBO CASHEWNUTS 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 **27TH** day of **MARCH**

TWO THOUSAND AND EIGHT
.....
Asst. Registrar of Companies

NAMES, POSTAL ADDRESSES AND DESCRIPTION OF SUBSCRIBERS		NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBER
1	Edgar Maokola-Majogo P. O. Box 10832, DAR ES SALAAM	ONE	
2	Benjamin William Mkapa P. O. Box 7552, DAR ES SALAAM.	ONE	

DATED AT DAR ES SAAM THIS 11th DAY OF March 2008

WITNESS TO THE ABOVE SIGNATURES



 COMMISSIONER FOR OATHS
 DENGER, NYASTIAN NGALO
 P. O. Box 72349
 DAR ES SALAAM
 TANZANIA



thereto into an agreement with the company providing for the allotment to them respectively, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the company on their behalf, of the profits resolved to be capitalized, of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such Members.

WINDING UP

128. If the company shall be wound up, the Liquidator may, with the sanction of an extraordinary Resolution of the company and any other sanction required by the Companies Act, if any, and having due regard to the respective rights of the holders of different classes of shares to which special rights are attached, divide amongst the Members in specified or kind the whole or any part of the assets of the company and may for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may with like sanction vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

INDEMNITY

129. Subject to the provisions of the Companies Act, every Director or other officer and Auditor of the company shall be indemnified out of the assets of the company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the execution of his office or otherwise in relation.

We, the several persons whose names and addresses are described below, are desirous of being formed into a company in pursuance of these Articles of Association.

the death or bankruptcy of a Member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representatives of the deceased, or receiver of the bankrupt, or by any like description, at the address, if persons claiming to be so supplied, or (until such an address within the Territory has been so supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

125. Notice of every General Meeting shall be given in some manner hereinbefore authorised to (a) every Member except those Members who (having not registered address within the Territory) have not supplied to the company an address within the Territory for the giving of notices to them, and also to (b) every person entitled to a share in consequence of the death or bankruptcy would be entitled to receive notice of the meeting. No other person shall be entitled to receive notices of General Meetings.

CAPITALIZATION OF PROFITS

126. The company in General Meeting may upon the unanimous recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts or to the credit of the profit or loss account or otherwise available for distribution amongst the Member who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied either in shares by such Members respectively, or paying up in full unissued shares or debentures of the company to be allotted and distributed credited as full paid up to and amongst such Members in the proportion aforesaid, or partly in the one way or partly in the other, and the Directors shall give effect to such resolution.
127. Whenever such a resolution as aforesaid shall have been passed the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares or debentures, or securities, if any, and generally shall do all acts and things required to give effect thereto, with full powers to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the case of shares or debentures becoming distributable in fractions, and also to authorise any persons to enter on behalf of all the Members entitled

119. The profit and loss account shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expenses of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into, laid before the meeting and, in cases where any item of several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.
120. A copy of every balance sheet (including every document required by law to annexed thereto) which is to be laid before the company in General Meeting together with a copy of the Auditor's Report shall not less than twenty one days before the date of the meeting be sent to all persons entitled to receive notices of General Meetings of the company.

AUDIT

121. Auditors shall be appointed and their duties regulated in accordance with the provisions of the Companies Act.

NOTICES

122. A Notice may be given by the company to any Member either personally or by sending it by post to him to his registered address, or (if he has no registered address within the Territory) to the address, if any, within the supplied by him to the company for the giving of notices to him. 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 unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary courses of post.
123. If a Member has no registered address within the Territory and has not supplied to the company an address within the Territory for the giving of notices to him, a notice addressed to him and advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to have been duly given to him at noon on the day on which the advertisement appears.
124. A notice may be given by the company to the persons entitled to a share in consequence of

113. Any dividend may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or in the case of joint holders to any one of such joint holders at his registered address or to such person or such address as the Member or person entitled or such joint holders, as the case may be, direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to the order of such other person as the Member or person entitled or such joint holders as the case may be, direct.
114. No dividend shall bear interest against the company.

ACCOUNTS

115. The Directors shall cause proper books of account to be kept with respect to:
- (a) All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
 - (b) All sales and purchases of goods by the company;
 - (c) The assets and liabilities of the company
116. The books of account shall be kept at the registered office of the company, or at such other place or places the Directors think fit, and shall always be open to the inspection of the Directors.
117. The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to the inspection of Members not being Directors, and no Member (not being a Director) shall have any right of inspection any account or book or document of the company except as conferred by statute or authorised by the Directors or by the company in General Meeting.
118. The Directors shall from time to time in accordance with the Companies Act, cause to be prepared and to be laid before the company in General Meeting such profit and loss accounts, balance sheets, directors report and such other reports as are referred to in that Section.

- (b) a Corporation sole, the sole Director of which is the sole Director of the company; or
- (c) the sole Director of a Corporation which is the sole Director of the company.

106. A provision of the Companies Act or these regulations requiring or authorising 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.

DIVIDENDS AND RESERVE

107. The company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors.
108. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the company.
109. No dividend shall be paid otherwise than out of profits.
110. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid on shares, but if and so long as nothing is paid up on any of the said shares in the company dividends may be declared and paid according to the amounts of the shares. No amount paid on a share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the share.
111. The Directors may, before recommending any dividends, set aside out of the profits of the company such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for meeting contingencies or for equalising dividends, or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or invested in such investments (other than shares in the company) as the Directors may from time to time think fit.
112. If several persons are registered as joint holders of any share, any one of them may give effectual receipts for any dividend or other moneys payable on or in respect of the share.

director.

100. The directors shall power at any time, and from time to time, to appoint a person as an additional director who shall retire from office at the next following ordinary general meeting, but shall be eligible for election by the company at that meeting as an additional director.
101. The company may by extraordinary resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the same time as if he had become a director on the day on which the director in whose place he is appointed was last elected a director.

BORROWING POWERS

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

THE SEAL

103. The Board shall provide for the safe custody of the Seal. The Seal shall be used only by the authority of the Board and every instrument to which the Seal shall be affixed be signed by a Director and also by the Secretary or by a second Director also appointed by the Board for the purpose.

SECRETARY

104. 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.
105. No person shall be appointed or hold office as a Secretary who is:

- (a) the sole Director of the company; or

the same the Members present may choose one of their number to be Chairman of the meeting.

92. A Committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the Members present and in case of an equality of votes the chairman shall have a second or casting vote.

93. All acts done by any meeting of the Directors or of a Committee of Directors, or by any 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 person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

ROTATION OF DIRECTORS

94. At the first ordinary general meeting of the company the whole of the directors shall retire from office, and at the ordinary general meeting in every subsequent year one-third of the directors for the time being or, if the number is not three or a multiple of three, then the number nearest one-third shall retire from office.

95. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

96. A retiring director shall be eligible for re-election.

97. The company at the general meeting at which a director retires in manner aforesaid may fill up the vacated office by electing a person thereto and in default the retiring director shall be deemed to have been re-elected unless at such meeting it is resolved not to go out of office.

98. The company may from time to time in a general meeting increase or reduce the number of directors, and may also determine in what rotation the increased or reduced number is to go out of office.

99. Any casual vacancy occurring in the board of directors may be filled up by the directors, but the person so chosen shall be subject to retirement at the same time as if he had become a director on the day on which the directors in whose place he is appointed was last elected

- e) is found lunatic or becomes of unsound mind; or
- f) resigns his office by notice in writing to the company; or
- g) is removed from office by Extraordinary Resolution, or
- h) is punished with imprisonment for a term exceeding six months without the option of a fine.

PROCEEDINGS OF DIRECTORS

- 86. The Directors may meet together for the dispatch of business, adjourn, and otherwise regulate their meetings, as they think fit. Questions arising at any 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 shall, at any time summon a meeting of the Directors.
- 87. The quorum necessary for the transaction of the business of the Directors may be fixed by the directors and unless so fixed shall when the number of directors exceeds three, be three and when the number of directors does not exceed three be two.
- 88. The continuing Directors may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of Directors, the continuing Directors may act for the purpose of summoning a General Meeting of the company, but for no other purpose.
- 89. The Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman is elected, 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.
- 90. The Directors may delegate any of their powers, other than their power to borrow or make calls, to committees consisting of such Member or Members of their body as they think fit; any Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.
- 91. A Committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding

83. The Directors may from time to time appoint one or more of their body to the office of Managing Director or may appoint any person or body corporate to manage the company for such term and at such remuneration (whether by way of salary or commission, or participant in profits, or partly in one way and partly in another) as they may think fit. In the case of the appointment of a Managing Director such appointment shall be subject to determination ipso facto if he ceases from any cause to be a Director.
84. 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 Committee of the Directors;
 - (c) of all resolutions and proceedings at all meetings of the company, and of the Directors, and of Committees of Directors; and
 - (d) every Director present at any meeting of Directors or Committee of Directors shall sign his name in a book to be kept for the purpose.

DISQUALIFICATION OF DIRECTORS

85. The office of Director shall be vacated, if the Director;
- a) Ceases to be a director by virtue of any section of the Act; or
 - b) without the consent of the company in General Meeting holds any other office of profit under the company except that of Managing Director or Manager; or
 - c) becomes bankrupt or compounds with his creditors in this Territory or in any other territory which is declared to be a reciprocating territory under the Bankruptcy Act; or
 - d) becomes prohibited from being a director by reason of any order made under section 213 or 269 of the Act; or

All appointments and removals of Alternate Directors shall be effected by notice in writing under the hand of the Director making or revoking such appointment sent to or left at the Alternate Director's registered office. An Alternate Director shall be an officer of the company and shall alone be responsible to the company for his own acts and defaults and he shall not be deemed to be the agent of or for the Director appointing him. The remuneration of any such Alternate Director shall be payable out of the remuneration payable to the Director appointing him, and shall consist of such part (if any) of the last mentioned remuneration as shall be agreed between the Alternate Director and the Director appointing him.

79. A Director and Alternate Director shall not require a share qualification but nevertheless shall be entitled to vote at any Separate Meeting of the holders of any class of shares in the company.
80. A resolution in writing signed by all the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted and may consist of several documents in the like form, each signed by one or more of the Directors but so that the expression "Director" in this Article shall not include an Alternate Director other than an Alternate Director appointed by a Director who at the date of the resolution is absent from Tanzania.
81. Provided a Director declares his interest therein in manner provided by the Companies Act he may vote as a director in regard to any contract or arrangement in which he is interested or upon any matter arising thereat, and if he shall so vote his vote shall be counted in the quorum when any such contract or arrangement is under consideration.

POWERS AND DUTIES OF DIRECTORS

82. The business of the company shall be managed by the Directors who may pay all expenses incurred in getting up and registering the company, and may exercise all such powers of the company, as are not, by the Companies Act, or by these Articles, required to be exercised by the company in General Meeting, subject, nevertheless, to any regulation of these Articles, to the provisions of the Companies Act and to such regulations or provisions, as may be prescribed by the company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

73. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

CORPORATIONS ACTING BY REPRESENTATIVE AT MEETINGS

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

DIRECTORS

75. The number of the directors and the names of the first directors shall be determined in writing by a majority of the subscribers of the memorandum of association.
76. The remuneration of the director shall from time to time be determined by the company in general meeting.
77. (1) The qualification of a director shall be the holding of at least one share in the company.
- (2) In addition to their usual remuneration the Directors shall also be paid such traveling, hotel and other expenses as may reasonably be incurred by them in the exercise of their including any such expenses incurred in connection with their attendance at meetings of Directors.
78. Any Director may at any time appoint any person approved by the Directors to be an Alternate Director of the company, and may at any time remove any Alternate Director so appointed by him from office and subject to such approval as aforesaid, appoint another person in his place. An Alternate Director shall (subject to his giving to the company an address within Tanzania at which notices may be served on him) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at any meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointer as a Director in the absence of such appointer. An Alternate Director shall ipso facto cease to be an Alternate Director if his appointer ceases for any reason to be a Director.

Committee or other legal guardian may, on a poll vote by proxy.

68. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
69. On a poll, votes may be given either personally or by proxy provided that no company shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of the Companies Act in force.
70. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a Corporation, either under Seal, or under the hand of an officer or attorney duly authorised. A proxy need not be a Member of the company.
71. 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 not less than seventy-two hours before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, and in default, the instrument of proxy shall not be treated as valid.
72. An instrument appointing a proxy may be in the following form, or any other form which the Directors shall approve:

SOUTHERN JUMBO CASHEWNUTS LIMITED

I, of being a Member of SOUTHERN JUMBO CASHEWNUTS LIMITED do hereby appoint of as my proxy, to vote for me and on my behalf at the (ordinary or extraordinary, as the case may be) General Meeting of the company to be held on day of 19..... and at any adjournment thereof.

Signed this day of.....
20.....

(Signature of Member)"

effect in the minute books shall be conclusive evidence of the fact.

61. If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be withdrawn at any time before the next business is proceeded with.
62. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
63. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, not being more than fourteen days from the date of the meeting.
64. An Ordinary Resolution of the company determined on without any General Meeting and evidenced by writing under the hands of all the Directors or a sole Director and of Members of the company holding in the aggregate three-fourths of the issued shares of the company shall be as valid and effectual as an Ordinary Resolution duly passed at a General Meeting of the company.

VOTES OF MEMBERS

65. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person shall have one vote. On a poll every Member shall have one vote for each share of which he is the holder.
66. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of Members.
67. A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his

Auditors.

55. 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 save as herein provided, three members present in person or by proxy shall be a quorum.
56. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, otherwise than pursuant Article 53 shall be dissolved; in any other case it shall be adjourned to the same day in next week, at the same time and place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Members present shall be a quorum.
57. The Chairman, if any, of the Board of Directors shall preside as Chairman at every General Meeting of the company.
58. If there is no such Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as Chairman, the Directors present shall choose one of their number to act, or if one Director only be present he shall preside as Chairman. If no Director be present, or if all the Directors present decline to take the chair the Members present shall choose one of their number to be Chairman.
59. 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 left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. 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.
60. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least one Member present in person or by proxy and entitled to vote. Unless a poll is so demanded, a declaration by the Chairman that the resolution has, on show of hands, been carried or carried unanimously or by a particular majority, or lost, and an entry to that

50. All such General Meetings shall be called Annual General Meetings, and all other General Meetings shall be called Extraordinary General Meetings.

51. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition in writing of the holders of not less than one third of the issued capital of the company upon which all calls or other sums then due have been paid or, in default, may be convened by such requisitions, as provided by the Companies Act. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any one Member of the company may convene an extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

NOTICE OF GENERAL MEETING

52. Subject to the provisions of the Act relating to special resolutions, twenty one days' notice at the least (exclusive of the day on which the notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter mentioned, or in such other manner, if any, as may be prescribed by the company in General Meeting, to such persons as are, under the regulations of the company entitled to receive such notices from the company but with the consent of all the Members, entitled to receive notice of some particular meeting, that meeting may be convened by such shorter notice and in such manner as those Members may think fit.

53. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Member shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

54. All business shall be deemed special that is transacted at an Extraordinary General Meeting and all that is transacted at an Annual General Meeting, with the exception of sanctioning a dividend, the consideration of the accounts, i.e. the company's financial statements including the ordinary report of the Directors and Auditors the election of Directors and other officers in place of those retiring by rotation, and the appointment and fixing of the remuneration of the

offer shall be made by notice specifying the number of shares offered, and limiting a time, within which the offer, if not accepted, shall be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the company.

The Directors may likewise so dispose of any new shares held by persons entitled to an offer of new shares who cannot, in the opinion of the Directors, be conveniently offered under this regulations.

46. The new shares should be subject to the same provision with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.
47. The company may by Ordinary Resolution:
 - a. Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; or
 - b. Sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of the Act.
 - c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its capital by the amount of shares so cancelled
48. The company may, by special resolution, reduce its share capital and any capital redemption reserve fund in any manner and with, and subject to, any incident authorised, and consent required by law.

GENERAL MEETINGS

49. Subject to the provisions of the Act; General Meetings shall be held at least once in every calendar year at such time (being not more than fifteen months after the holding of the last preceding General Meeting) and place as may be determined by the Directors. In default of a General Meeting so held a General Meeting may be convened by any one Member in the same manner as nearly as possible as that in which meetings are to be convened by the Directors.

any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

CONVERSION OF SHARES INTO STOCK

40. The Company may by ordinary resolution convert any paid up shares into stock, and reconvert any stock into paid up shares of any denomination.
41. The holders of stock may transfer the same, or any part thereof, in the same manner, and subject to the same regulations, as, and subject to which, the shares from the stock arose or might previous to conversion have been transferred, or as near thereto as circumstances permit, but the Directors may from time to time fix the minimum amount of stock transferable, and restrict or forbid the transfer of fractions of that minimum, but the minimum shall not exceed the nominal amount of the shares from which the stock arose.
42. The holders of stock shall according to the amount of the stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company and other matters as if they held the shares from which the stock arose but no such privilege or advantage (except participation in the dividends and profits of the company) shall be conferred by any such part of stock as would not if existing in shares, have conferred that privilege or advantage.
43. Such of the regulations of the company as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

ALTERATION OF CAPITAL

44. The company may from time to time by special resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.
45. Subject to any direction to the contrary that may be given by the company in general meeting, all new shares shall, before issue, be offered to such persons who, as at the date of the offer, are entitled to receive notices from the company of General Meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled. The

respect of the forfeited shares and not actually paid before the forfeiture.

35. Where any share has been forfeited in accordance with these Articles, notice of the forfeiture shall forthwith be given to the holder of the shares, or the person entitled to be holder to the shares by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with a date thereof, shall forthwith be made in the register opposite to the entry of the share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
36. Every share which shall be forfeited shall thereupon become the property of the company, and may be either cancelled or sold, or re-allocated or otherwise disposed of either to the person who was before forfeiture the holder thereof, or entitled thereto, or to any other person, upon such terms and in such manner as the Board shall think fit, and whether with or without all or any part of the amount previously paid on the share being credited as paid. The Directors may, if necessary authorize some person to transfer a forfeited share to any such other person as aforesaid.
37. A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding, remain liable to pay to the company all moneys which, at the date of forfeiture, were presently payable by him to the company in respect of the shares, but his liability shall cease if and when the company receive payment in full of the nominal amount of the shares.
38. A statutory declaration in writing that the declarant is a Director of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
39. The provisions of these regulations as to forfeiture shall apply in the case of non payment of

**SMALL INDUSTRIES DEVELOPMENT
ORGANIZATION**

**SHIRIKA LA KUHUDUMIA VIWANDA
VIDOGO**

Tel: Director General +255 22 2151948
Gen. enquiries +255 22 2151946/7
Fax: +255 22 2151383
E - mail: info@sido.go.tz
dg@sido.go.tz
Website: www.sido.go.tz

S.L.P 2476
DAR ES SALAAM
TANZANIA



In reply please quote

SIDO/DTDP/DSM/10/08
Ref. No.

24 Oktoba, 2008

Meneja wa Mkoa,
SIDO,
S.L.P. 22151,
DAR ES SALAAM.



**YAH: KUBADILISHA UENDELEZAJI WA JENGO LA KIWANDA
CHA KOROSHO LINALOJENGA KATIKA MTA A WA
VIWANDA SIDO DAR ES SALAAM**

Tafadhali husika na somo lililotajwa.

Nakuandikia kukujulisha kuwa Kampuni ya Daima Associates Limited ambao ni washauri wa M/s Southern Jumbo Cashewnuts Limited (SJC) walituandikia wakitaka tuwathibitishie kuwa kampuni tajwa (SJC) wana mkataba wa muda mrefu wa kuendeleza eneo kwa ajili ya kiwanda hicho.

Baada ya kupitia kwa makini ombi hili nimegundua kuwa M/s Southern Jumbo Cashewnut Limited hawana mkataba na SIDO kuhusu kuendeleza eneo hilo bali aliye na mkataba wa kuendeleza eneo tajwa ni Mjasiriamali Ndugu Edga Maokola Majogo.

Baada ya kuwasiliana na mwakilishi wa Daima Associated Ltd. (Dr. Samwel M. Nyantahe) kuhusu ukweli huo alinithibitishia kuwa Ndugu Edga Maokola Majogo ni mmoja wa Wakurugenzi wa M/s Southern Jumbo Cashewnuts Ltd. (SJC) na amenipatia nakala ya "Memorandum and Articles of Association of Southern Jumbo", Cashewnuts Ltd inayothibitisha hivyo (imeambatanishwa). Ndugu Edga maokola Majogo pia ameandika barua ya kuruhusu M/s Southern Jumbo Cashewnut Ltd kuhusika na uendelezaji wa eneo hili (imeambatanishwa).

Kutokana na mtiririko huu, kuna haja ya kusaini mkataba upya na M/s Southern Jumbo Cashewnut Ltd. (SJC) ili tuweze kuwa na uhusiano unaotambulika kisheria na tuweze kuendelea kuwatambulisha kwa Daima Associate Ltd ambao ndiyo washauri wao katika mradi huu.

Tafadhali lipatie swala hili kipaumbele kinachostahili.

Wako katika huduma
SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO

Emmanuel T. Saiguran
Emmanuel T. Saiguran
MKURUGENZI WA MAENDELEO, TEKNOLOJIA NA MIPANGO

ALL Official correspondance should be addressed to the DIRECTOR GENERAL

SMALL INDUSTRIES DEVELOPMENT
ORGANIZATION

SHIRIKA LA KUHUDUMIA VIWANDA
VIDOGO

Tel: Director General +255 22 2151948
Gen. enquiries +255 22 2151946/7
Fax: +255 22 2151383
E - mail: info@sido.go.tz
dg@sido.go.tz
Website: www.sido.go.tz

S.L.P 2476
DAR ES SALAAM
TANZANIA



In reply please quote

Ref. No. SIDO/DTDP/DSM/4/2009/9

02 Septemba 2009

Meneja wa Mkoa,
SIDO,
S.L.P 22151,
DAR ES SALAAM.



YAH: MKATABA WA SOUTHERN JUMBO CASHEWNUT LTD (SJC)

Nawasilisha kwako nakala halisi ya mkataba wa ujenzi wa kiwanda cha kusindika korosho katika eneo la SIDO Vingunguti kwa ajili ya kuuhifadhi na rejea.

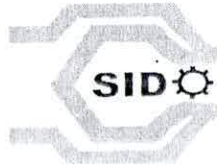
Wako katika huduma
SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO


Emmanuel T. Saiguran
MKURUGENZI WA MAENDELEO YA TEKNOLOJIA NA MIPANGO

Nakala kwa: CS

ETS/mml

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO



MKATABA WA UPANGAJI NA UJENZI
KWENYE ENEO LA WAZI LINALOMILIKIWA NA SIDO

BAINA YA

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO (SIDO)
NA
M/S SOUTHERN JUMBO CASHEWNUT LTD. (SJC)

Drawn by:
Small Industries Development Organization
P. O. BOX 22151
Dar es Salaam

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO



MKATABA WA UPANGAJI NA UJENZI
KWENYE ENEO LA WAZI

MKATABA HUU umesainiwa leo tarehe 11th Machi Mwezi AUGUST 2009

BAINA YA

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO, Shirika lililoundwa chini ya Sheria ya Bunge Na. 28/1973, S. L. P. 22151 Dar Es Salaam (ambalo katika mkataba huu litajulikana kama "Mmiliki") kwa upande mmoja,

NA

M/S SOUTHERN JUMBO CASHEWNUT LTD. (SJC) kampuni iliyosajiliwa kwa mujibu wa sheria za makampuni Na. 12 ya mwaka 2002, na kupewa cheti cha usajili Na. 64823 cha tarehe 27 Mwezi Machi Mwaka 2008 wa S. L. P. 10832 Dar es salaam (ambaye atajulikana kwenye mkataba huu kama "Mpangaji") kwa upande mwingine.

1.0 UTANGULIZI

KWA KUWA SIDO ni mmiliki halali wa viwanja Na. 24-27 (hati ya umiliki Na. 19681 ya tarehe 19 Mwezi JULAI Mwaka 1974, vilivyopo eneo la mtaa wa viwanda Vingunguti, DAR ES SALAAM, na

KWA KUWA Mpangaji anahitaji eneo la kufanyia biashara ambapo atajenga majengo kufuatana na michoro iliyoidhinishwa na SIDO kwenye eneo la wazi lililoko katika Mtaa wa Viwanda uliotajwa na amekubali kuchukua eneo hilo kwa ajili ya kufanyia biashara ya kubangua korosho;

MKATABA HUU UNASHUHUDIA KAMA IFUATAVYO:

2.0 TAFFSIRI NA UFAFANUZI

- 2.1 "Mkataba" maana yake ni mkataba huu wa upangaji na ujenzi.
- 2.2 "Mpangaji" maana yake ni **M/S SOUTERN JUMBO CASHEWNUT LTD. (SJC)** ambapo neno mpangaji litatafsiriwa pia kumaanisha mjenzi, na warithi wake wote halali.
- 2.3 "Mmiliki" maana yake ni SIDO ambapo tafsiri yake itajumuisha SIDO pamoja na warithi wake wote halali
- 2.4 "Notisi" maana yake ni mawasiliano maalum ya kimaandishi kati ya mpangaji na mmiliki yatakayotolewa kwa mujibu wa mkataba huu.
- 2.5 "SIDO" maana yake ni Shirika la Kuhudumia Viwanda Vidogo ambalo katika mkataba huu ndilo mmiliki.

3.0 UHALALI WA MKATABA

- 3.1 Mkataba huu utanza kutumika siku na tarehe uliosainiwa na pande mbili za mkataba na utadumu kwa kipindi chote cha makubaliano, ambacho ni hadi baada ya mpangaji kuweza kurejeshewa kiasi chote cha fedha alichotumia kwenye ujenzi.
- 3.2 Mkataba huu hautatafsiriwa kuwa halali ikiwa haujatiwa saini na pande zote mbili.
- 3.3 Makubaliano mengine yoyote (ya mdomo au maandishi) yaliyofanyika kabla ya mkataba huu, ikiwa ni pamoja na michoro iliyothibitishwa ya ujenzi itakuwa sehemu ya mkataba huu.
- *3.4 Mkataba huu utarejewa kila baada ya miaka mitatu na kusainiwa upya na pande zote.
- 3.5 Mkataba huu ukimalizika muda wake, au wakati wa marejeo baada ya kipindi cha miaka mitatu, unaweza kurejewa kwa makubaliano kama haya au kwa makubaliano mengine.

4.0 MASHARTI YA MKATABA

- 4.1 Mpangaji atajenga kwa gharama zake mwenyewe majengo mawili (2) kwa gharama isiyozidi Sh. Milioni mia mbili sabini na moja mia tatu arobaini elfu tu (Tsh.271,340,000/=) na atakuwa mpangaji wa majengo hayo.

- 4.2 Gharama za ujenzi wa majengo zilizothibitishwa na kutajwa katika aya ya 4.1 zitakuwa ndizo gharama halisi za ujenzi na zitatumika kama kigezo cha kutathmini kiwango cha kodi.
- 4.3 Ujenzi wa majengo yaliyotajwa utaanza na kuendelea kujengwa kama ilivyotajwa kwenye makubaliano ya awali na utatakiwa uwe umekamilika kufikia mwezi Desemba, 2009.
- 4.4 Kodi ya upangaji itaanza rasmi kutozwa ifikapo Januari, 2010, mara baada ya ujenzi kukamilika.
- 4.5 Kodi ya pango kwa majengo yote mawili (2) itakuwa Shilingi za Kitanzania laki tano na ishirini tu (520,000/=) kwa mwezi.
- 4.6 Mpangaji atailipa SIDO Shilingi za Tanzania 130,000/[= kwa mwezi zikiwa ni asilimia ishirini na tano (25%) ya kodi ya kupanga eneo hilo la biashara, sawa na robo ya kodi yote kwa mwezi.
- 4.7 Mpangaji atabaki na asilimia sabini na tano (75%) ya kodi halisi ya pango kama gharama ya kufidia ujenzi wa jengo sawa na shilingi za kitanzania 390,000/=. Fedha hizi zinatarajiwa kulipwa kwa kipindi cha miaka hamsini na saba (57).
- 4.8 Viwango vya kodi ya pango vitafanyiwa marekebisho kila baada ya miaka mitatu na kodi itaweza kupanda au kushuka kutegemeana na kupanda na kushuka kwa thamani ya fedha. Viwango vipya vya kodi vitakavyopendekezwa na SIDO vitapaswa kutumika.
- 4.9 Ikiwa viwango vya kodi ya pango vitabadilishwa kufuatana na aya 4.8 hapo juu, muda wa mkataba nao utaweza kubadilika.
- 4.10 Mpangaji hataruhusiwa kuhamisha upangaji wa eneo au sehemu ya eneo alilopangishiwa kwa mtu mwingine bila idhini ya maandishi ya SIDO.
- 4.11 Wakati wote wa uhai wa mkataba huu au baada ya kwisha kwa mkataba huu Mmiliki hatahusika kwa namna yeyote kulipa, kufidia au kuchangia hasara au athari yoyote dhidi ya binadamu, mazingira au vinginevyo iliyosababishwa na shughuli yeyote ya mpangaji katika eneo alilopanga au matokeo ya shughuli zake zilizofanyika ndani ya pango lake.

Handwritten signature

Handwritten signature

- 4.12 Mpangaji ataingiza umeme na maji kwenye jengo na pia ataweka mita ya umeme kwa gharama zake mwenyewe.
- 4.13 Miezi mitatu kabla ya mkataba huu kumalizika (kila baada ya miaka mitatu), Mpangaji ataandika barua kwa Mmiliki kuomba kusaini mkataba kwa kipindi kingine. Asipofanya hivyo itahesabika kuwa mkataba ukimalizika hatapenda kuendelea na mkataba kwa kipindi kingine.
- 4.14 Mpangaji anaahidi kuendesha biashara yake kiustaarabu bila kuwabughudhi Wapangaji wengine au majirani na atahakikisha anafanya biashara iliyoelezwa kwenye mkataba huu tu. Ikiwa atataka kubadili aina ya biashara itambidi kupata kibali cha maandishi cha SIDO.
- 4.15 Mmiliki atatakiwa kuhakikisha miundombinu ya barabara inakuwa katika hali nzuri kwa muda wote wa uhai wa mkataba huu.

5.0 USITISHWAJI WA MKATABA NA MATOKEO YAKE

- 5.1 Kila upande unaweza kukatisha mkataba kwa kutoa notisi ya maandishi ya miezi mitatu ikielezea sababu za kutaka kukatisha mkataba.
- 5.2 Mkataba ukiisha na Mpangaji kuamua kuondoka, Mmiliki hatamlipa Mpangaji kwa maendelezo yoyote (unexhausted improvements) atakayokuwa amefanya kwenye eneo kama hakuna makubaliano ya maandishi na SIDO kuhusu kurejesha gharama.
- 5.3 Iwapo Mmiliki atasitisha mkataba kwa sababu zake mwenyewe, atawajibika kumlipa Mpangaji gharama za ujenzi zilizobaki baada ya kodi na makato yaliyofanywa.
- 5.4 Mpangaji atalazimika kutumia jengo atakalojenga wakati wote wa mkataba huu na kama ataacha kulitumia au atalitelekeza kwa muda wa miezi mitatu Mmiliki ana haki ya kumtaka kulivunja na kuondoka ili eneo lipewe mfanyabiashara mwingine anayehitaji.
- 5.5 Mpangaji atahusika na gharama za uzoaji taka na usafi katika eneo alilopanga.

6.0 MIGOGORO

- 6.1 Endapo kutatokea mgogoro wowote katika kipindi cha uhai wa mkataba huu kati ya mpangaji na mmiliki, basi mgogoro huo utatatuliwa kwa njia ya usuluhishi na maridhiano kwa kutumia Sheria za Tanzania.
- 6.2 Ikiwa njia za usuluhishi na maridhiano zitashindikana, kila upande utakuwa na haki ya kwenda mahakamani.

KAMA USHUHUDA mkataba huu umetiwa sahihi na pande zote tarehe, mwezi na mwaka uliotajwa hapo juu

IMEPIGWA Muhuri wa M/S SOUTHERN)

JUMBO CASHEWNUT LTD. (SJC))

na KUTOLEWA mbele yetu)

leo tarehe)

mwezi mwaka 2009)

Sahihi

Anuani

Wadhifa

Sahihi.....

Anuani

Wadhifa



Handwritten text: P.O. Box 10352, Dar-es-Salaam

Handwritten signature: M. Mgeta

Handwritten text: P.O. Box 76340, DSM.

Handwritten text: Secretary

IMEPIGWA MUHURI wa
SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO
na KUTOLEWA mbele yetu leo tarehe.....11.....
mwezi Agosti mwaka 2009

Sahihi

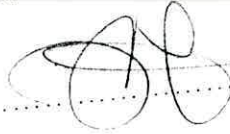
Anuani

Wadhifa

Sahihi

Anuani

Wadhifa



Box 221

Rm (A)

PL

Box 22151

AFSA BIAHARA (BDO)

REGIONAL MANAGER
SMALL INDUSTRIES
DARES SALAM
ORGANIZATION

SOUTHERN JUMBO CASHEWNUTS LTD.

P. O. BOX 10632 DAR ES SALAAM.

25.08.2011

Extract of Board Resolution.

In the meeting of Board of Directors of SJCN Ltd, held on 20th July, 2011 it was resolved "that in view of the scarce resources available for implementation of the project , it is prudent to request for a Certificate of Incentives from Tanzania Investment Centre (TIC) so as to minimize the costs of some of the required fixed assets".

Certified as true copy of the Board's Resolution.



Edgar Maokola-Majogo
Board Chairman



N. S. Ntulla.
C. E. O



TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

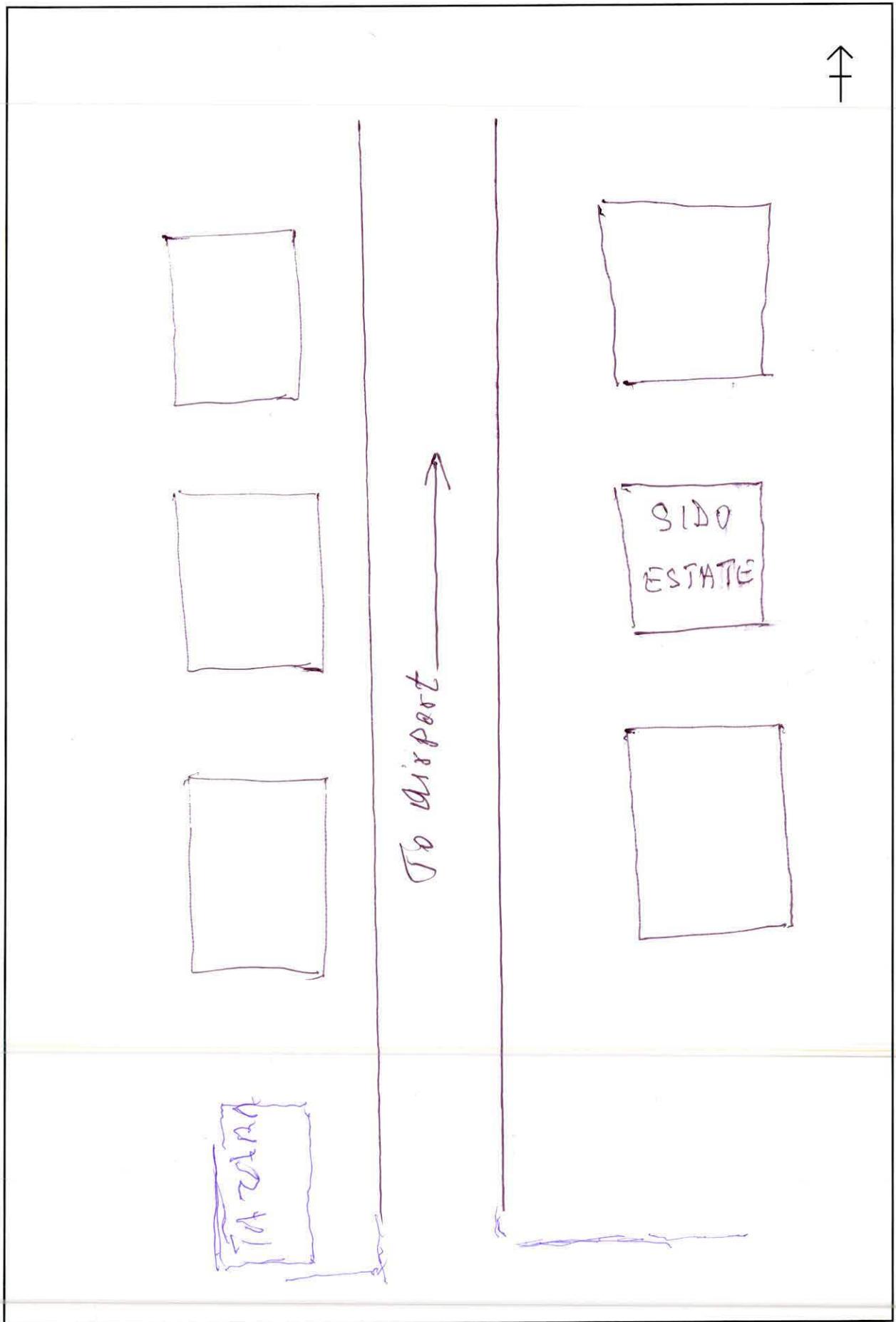
CERTIFICATE OF INCENTIVES

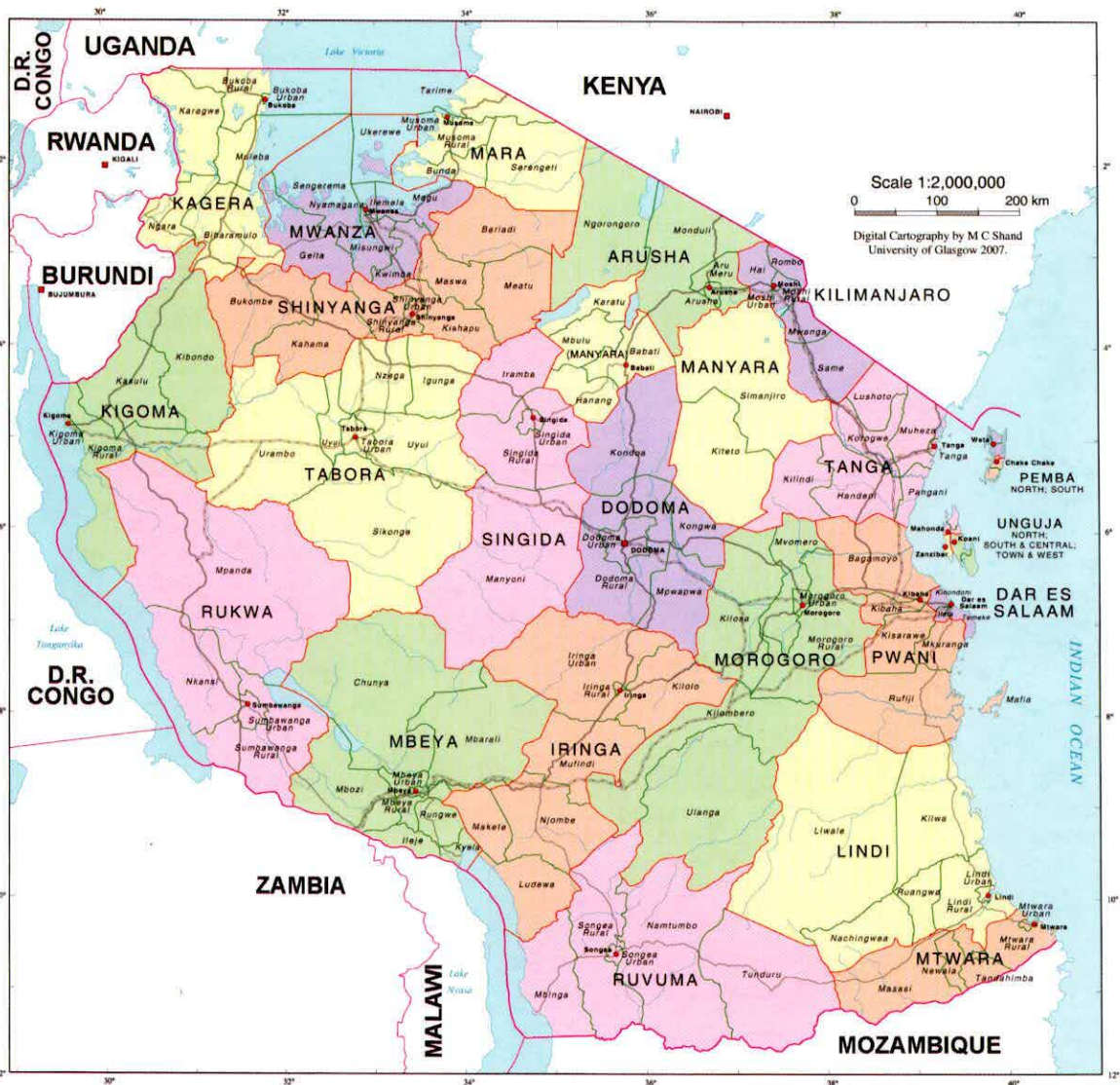
**(Tanzania Investment Act 1997, Section 17 and 18,
and the Investment Regulations:
Regulation 42, Government Notice No. 318A of 2002)**

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)

SKETCH MAP SHOWING PROJECT LOCATION





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 EDGAR DIONES MAKOLA - MAJOSO
(director/directors/agent of SOUTHERN JUMBO CASHEW NUTS LTD.
(name of business enterprise) apply for registration of Southern Jumbo Cashewnuts Ltd
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 SIDO ESTATE
VIGUNGUTI, BSM

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 (Lease Agreement 5yrs)
constructed building (equity), Term Loan
3. The Head Office of the Company will be situated at SIDO FACTORY, VIGUNGUTI
4. The Principal Officers of the Company are
- 1) E. D. MAKOLA - MAJOSO - Owner / Director
- 2) NDOLENSE SIMON PHILLIP NTULA - C.E.O.
5. Auditors of the Company are To be nominated.
TAC ASSOCIATES
6. The authorized share capital of the Company is Tshs./US\$ 100,000,000/=

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 520,875

8. The month and day of the financial year end is July to June

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\$ 100.00 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, E. D. MAKOLA-M of Post Office Number 10832

do solemnly and sincerely declare that I am a director/duly authorized agent of Southern Jumbo Cashew nuts Ltd

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

Declared at Dar es Salaam }
The 26 day of July, 2011 }



EDGAR DION ET
MAKOLA-MAJOGO
Applicant

Before me:

Richard Henry Mischu
Commissioner for Oaths

I CERTIFY THAT
THIS IS A TRUE COPY OF
THE ORIGINAL
Richard Henry Mischu
COMMISSIONER FOR OATHS
DATED THIS 26 OF 07 2011



APPLICATION SUMMARY

Company Name: Southern Jumbo Cashewnuts Ltd

Certificate of Incorporation Number: 64823 Status: Current

Certificate of Incorporation Date: 27-3-2008

Post Box: 10832

Town: Darassalaam

Sector: Industry

Sub-Sector: Food Processing

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
-	182,000	-	415,000 USD

Project Objectives: To process raw cashew nuts into Kernel for local and export markets.

Capacity: 1056, Raw nuts (Rated capacity) P.A.

Employment: Foreign: 2 Local: 300 Total: 302

Implementation Period: 2010 - 2011, December

Project Location

Site/Plot/Block No.: SIDO ESTATE, DSM

Street: PUGU ROAD District: ILALA Region: DSM

(Attach sketch map showing project location)

Shareholders	Nationality	%
<u>EDGAR DIONES</u>
<u>MAKOLA-MAJISO</u>	<u>TANZANIAN</u>	<u>50%</u>
<u>H.E BENJAMIN</u>
<u>WILLIAM MKAPA</u>	<u>TANZANIAN</u>	<u>50%</u>
.....

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

Land/Building	192,388
Plant	133,130
Vehicles	100,000
Furniture & Fittings	7,875
Pre-expenses	25,129
Others (Generators)	10,000
IT/Computers	5,000
Working Capital	(-1,214,689)
Contingency	47,852
TOTAL	

520,875 Add 1,214,689 w.c.)

Contact Details:

Name: E. D. MAKOLA-MAJISO Title: Chairman
Telephone: 0715-467 909 Fax: _____
Email: fuelsbio@yahoo.com

Payments to be made payable to:

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

SOUTHERN JUMBO CASHEW NUTS LTD

P.O.Box 10832
Dar es Salaam

1

10/08/2011

The Director General
Tanzania Investment Centre
P.O.Box 438
Dar es Salaam



Att. Mr Innocent M. Kahwa,

Dear Sir,

RE: REQUEST FOR TIC CERTIFICATE OF INCENTIVE.

We shall be grateful if you would issue to our company a Certificate of Incentive to enable us to process our cashew nuts for export.

Our company is registered by Brela under certificate of Reg No. 64823. our bankers are CRDB Mbezi Beach Branch. The project is under advanced stage of implementation.

The business is located in the Sido Estate area – Vingunguti Dar es Salaam. The company has a lease of 56 years to use the land.

The certificate is required in acquisition of essential assets including motor vehicles required for transportation of material and finished products and for office use.

We attach the following documents for your information and retention.

1. Feasibility study
2. Memarts of the company
3. Certificate of incorporation
4. Board resolution
5. Application form No. 09377

Lease Agreement
We look forward to your prompt reaction.

Sincerely,

N.S.P Ntula
C.E.O



Lease agreement



TIC Evaluation Report

Name of the Company
Southern Jumbo Cashewnuts Ltd.

Post Box	Pugu Road, Sido Estate	COI Number	64823	Contact	E. D. Maokola-Majogo
Post Office	10832	COI Date	27/03/2008	Designation	Chairman
Region	Dar Es Salaam	Application F. No	09377	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	0715 467 909
		Sub Sector	Food Processing	Fax	0
		File No	042113	E-Mail Address	Fuelsbio@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Sido Estate	<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</td> <td>0.182</td> <td>0</td> <td>0.415</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	0	0.182	0	0.415			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
0	0.182		0	0.415									
treet	Pugu												
District	Ilala												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.192388 0.268514
H. E. Benjamin William Mkapa	Tanzanian	50	Plant	0.13313
Edgar Diones Maokola-Majogo	Tanzanian	50	Vehicles	0.1
			Furniture & Fittings	0.007875
			Pre-expenses	0.025
			Others	0.01
			Working Capital	0.052482
			Total	0.520875.597

Employment	302	Evaluated By	wf officer3
Capacity	1056 raw nuts	Drawn By	wf registry1
Project Turn Over		Project Type	Local

Description

To establish a processing plant of raw cashew nuts into kernels

Recommendations

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

Decision

Approved

 Ag EXD
 30/09/11

TICC/PP.10/042113/3

4th October, 2011

Managing Director,
Southern Jumbo Cashewnuts Ltd.,
P.O. Box 10832,
Dar es Salaam.

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF PROCESSING PLANT FOR RAW CASHEW NUTS
INTO KERNELS**

We wish to acknowledge receipt of your project proposal to establish a processing plant of raw cashew nuts into kernels as presented in the TIC P.A. 1 Form No. 09377 and Feasibility Study with a projected investment of USD 0.520875m.

We have studied your project proposal and we 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 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 make deposit direct to the bank as per bank details below:-

.../2

TICC/PP.10/042113/3

4th October, 2011

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

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

Yours sincerely,

● **Tanzania Investment Centre**


B.D. Chonjo

For: Executive Director

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

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

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

0 719 594 665

Mgeta,

D.L.



(A)

SOUTHERN JUMBO CASHEWNUTS LTD

PO BOX 1082 DAR ES SALAAM
TEL: +255 0784 407 909
E-MAIL: info@southernjumbo.com

14th Nov, 2011.



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

RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT.

This is in reference to your letter of the 4th October, 2011, ref TICC/PP.10/042113/3 in connection with the above subject.

As required by you we have pleasure in attaching a letter from CRDB Bank PL indicating that a loan of USD 415,000 was granted to us for financing the Project; furthermore, we attach for your information and retention a Tenancy Agreement between SIDO and the company as proof of having a suitable business premises for the project location.

We shall submit to you a Progress Report after every six months for your information and review as required.

Finally, a facilitation fee of USD 750.00 has been deposited directly into your USD A/C 870 200 600 2000 as directed by you.

We remain looking forward to receiving the Certificate of Incentives.

Sincerely,

D. L. Mgeta
Project-start-up Manager





CRDB BANK PLC
Head Office: Azikiwe Street,
P.O. Box 268, Dar es Salaam, Tanzania
Tel: +255 (0) 22 2117441-7
Fax: +255 (0) 2113341
Email: crdb@crdbbank.com
Website: http://www.crdbbank.com

LOAN FACILITY LETTER

IN FAVOUR OF

**SOUTHERN JUMBO CASHEWNUTS LIMITED,
P. O. Box 10832,
DAR ES SALAAM.**

1

Bank.....

A handwritten signature in black ink, consisting of a large, stylized initial 'S' followed by a horizontal line.

Borrower.....

A handwritten signature in black ink, consisting of a stylized initial 'B' followed by a horizontal line.

Dear Customer,

This is to inform you that, the Bank has agreed to grant you the loan facility requested by you of the sum of money stated herein, on terms and conditions provided hereunder.

1. LOAN AMOUNT:

Type of currency	<i>United States Dollars</i>
Amount in figures	415,000.00
Amount in words	Four Hundred Fifteen Thousand Only.

2. PURPOSE OF THE LOAN

To partly finance construction of buildings, purchase of Plant and Machinery, Equipment, Motor Vehicles, Furniture, Office equipment and Standby generator.

3. CREDIT PERIOD:

No. of Payments 60 Monthly Installments

Expiry Date 30th June, 2017

4. RATE OF INTEREST

The rate of interest shall be **Eight point Five (8.5)%** per annum accrued daily on the outstanding balance and charged to the account monthly. The rate of interest agreed herein may be varied at any time and the change of interest shall be communicated to the Borrower individually to his/her last known address or by publication at the Bank's respective branch.

5. GRACE PERIOD AND PAYMENT OF INTEREST

5.1 The loan shall have a grace period of 18 months from the date of the first disbursement.

The interest rate charged during the grace period shall be capitalized and payable with the principal sum at the end of the grace period

5.2 The interest rate charged during the grace period shall be payable monthly as it accrues.

6. DISBURSEMENT:

6.1 Pre-disbursement

The Borrower shall comply with the following pre disbursement conditions:

Bank.....

Borrower.....

- (a) The Borrower shall execute all relevant documents.
- (b) The Borrower shall demonstrate to the Bank that adequate provisions have been made to meet its share of the business costs as well as any costs overruns.
- (c) The Borrower shall open and operate business accounts as shall be advised by the Bank.
- (d) The Borrower shall pay all fees charged by the Bank and meet costs in connection with the preparation and execution of this loan facility letter and related legal documents.
- (e) The Borrower and the Bank shall ensure registration and perfection of all securities charged herein.

6.2 Disbursement

After complying with pre disbursement conditions, the borrower shall follow the procedure outlined herein below when accessing disbursements:

- (a) The Borrower shall request for disbursement of a loan by notice to the Bank within 30 days after complying with the pre-disbursement condition. The Bank reserves the right to cancel the facility if the notice is not received within 30 days from the date of complying with the disbursement conditions.
- (b) The Bank may on receipt of the notice, disburse the loan.

6.3 Disbursement Schedule

The Loan will be disbursed in as follows:

- (a) Funds for procurement of capital items shall be paid by the Bank direct to the suppliers upon receiving their banking details from Southern Jumbo Cashew Nuts Limited and Invoices.
- (b) The Loan amount drawn will not exceed the amount agreed in the loan facility letter. The Bank reserves the right not to disburse the entire loan amount or any

Bank.....

Borrower.....



00218284

THE UNITED REPUBLIC OF TANZANIA

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042113

This is to certify that

SOUTHERN JUMBO CASHEWNUTS LTD

of address P.O. BOX 10832

DAR ES SALAAM

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

SOUTHERN JUMBO CASHEWNUTS LTD

Which is located at PLOT NO. 24 - 27 VING'UNGUTI INDUSTRIAL AREA

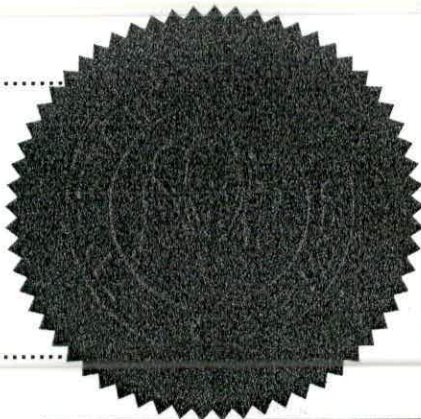
ILALA - DAR ES SALAAM

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

Executive Director

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

Dated 20TH DECEMBER 2011



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

1. Shareholders
H.E. Benjamin William Mkapa Tanzanian 50
Edgar Diones Maokola
-Majogo Tanzanian 50
.....
2. Proposed Activities : To establish a processing plant of raw cashew nuts
into kernels
.....
3. Sector: Manufacturing Subsector Food processing
.....
4. Investment cost: Foreign USD 0m. Local USD 0.597m. Total USD 0.597m.
.....
5. Project Financing:
Equity USD 0.182m. Loans USD 0.415m. Total USD 0.597m.
.....
6. Source, terms and conditions of loan.....
.....
7. Assets to be invested:

Capital items:	Foreign	Local	Total
	USD 0m.	USD 0.597m.	USD 0.597m.
8. Technology Agreement None
9. Date of TIC Registration: 4th October 2011
10. Implementation period October 2011 - September 2014
11. Operative date October 2014
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
None.
.....
.....

Signed 
Executive Director

Southern Jumbo Cashew Nuts Ltd

P.O.Box 10832

Dar es Salaam

7th December, 2011

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



Att. Mr. Dotto,

Re: Our Request for Certificate of Incentives.

This has reference to our request for a certificate of Incentives, We have pleasure, as advised, in attaching a Lease Agreement showing evidence of a long term lease for location of the project.

Regarding the issue of the difference between the cost of the project and the source of funds, we would like to submit the following costs which tarry with the USD 597,000 funding source without the working capital.

We now look forward to your early action on this matter.

Sincerely,

D.L Mgeta

Project-Star-up-Manager



Cost of the Project.

S/N	Cost Items	Cost in USD
1	Building (shades 1 and two*)	268,514
2	Planned, machinery and equipment	133,130
3	Motor vehicles	100,000
4	Furniture and Fixtures	7,875
5	IT Equipment	5,000
6	Stand-by generator	10,000
7	Pre-operational expenses	25,129
	Sub-total	549,648
8	Contingency	47,352
	Total costs	597,000
	II Funding Sources	
1	Shareholders EQUITY	182,000
2	CRDB Term loan	415,000
	Total Funding	597,000

*The rise of this item from ~~to~~ USD 192,388 to USD 268,514 has been caused by an additional/ construction of a 2nd shed which was not ready during submission of our request.

An overdraft of USD 1,214,689 has been requested from our lenders to finance the working capital.

We trust the above is now adequate for you to be able to release to us the Certificate of Incentives.



SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO



MKATABA WA UPANGAJI NA UJENZI
KWENYE ENEO LA WAZI LINALOMILIKIWA NA SIDO

BAINA YA

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO (SIDO)
NA
M/S SOUTHERN JUMBO CASHEWNUT LTD. (SJC)

Drawn by:
Small Industries Development Organization
P. O. BOX 22151
Dar es Salaam

I Certify this to be the true
Copy of the Original

Date 17.12.11

Sign *Msechu*

MSECHU & CO.
ADVOCATES

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO



MKATABA WA UPANGAJI NA UJENZI
KWENYE ENEO LA WAZI

MKATABA HUU umesainiwa leo tarehe ^{11th Edo} ~~8th~~ Mwezi AUGUST 2009

BAINA YA

SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO, Shirika lililoundwa chini ya Sheria ya Bunge Na. 28/1973, S. L. P. 22151 Dar Es Salaam (ambalo katika mkataba huu litajulikana kama "Mmiliki") kwa upande mmoja,

NA

M/S SOUTHERN JUMBO CASHEWNUT LTD. (SJC) kampuni iliyosajiliwa kwa mujibu wa sheria za makampuni Na. 12 ya mwaka 2002, na kupewa cheti cha usajili Na. 64823 cha tarehe 27 Mwezi Machi Mwaka 2008 wa S. L. P 10832 Dar es salaam (ambaye atajulikana kwenye mkataba huu kama "Mpangaji") kwa upande mwingine.

1.0 UTANGULIZI

KWA KUWA SIDO ni mmiliki halali wa viwanja Na. 24-27 (hati ya umiliki Na. 19681 ya tarehe 19 Mwezi JULAI Mwaka 1974, vilivyopo eneo la mtaa wa viwanda Vingunguti, DAR ES SALAAM, na

KWA KUWA Mpangaji anahitaji eneo la kufanyia biashara ambapo atajenga majengo kufuatana na michoro iliyoidhinishwa na SIDO kwenye eneo la wazi lililoko katika Mtaa wa Viwanda uliotajwa na amekubali kuchukua eneo hilo kwa ajili ya kufanyia biashara ya kubangua korosho;

MKATABA HUU UNASHUHUDIA KAMA IFUATAVYO:

2.0 TAFFSIRI NA UFAFANUZI

- 2.1 "Mkataba" maana yake ni mkataba huu wa upangaji na ujenzi.
- 2.2 "Mpangaji" maana yake ni **M/S SOUTERN JUMBO CASHEWNUT LTD. (SJC)** ambapo neno mpangaji litatafsiriwa pia kumaanisha mjenzi, na warithi wake wote halali.
- 2.3 "Mmiliki" maana yake ni SIDO ambapo tatsri yake itajumuisha SIDO pamoja na warithi wake wote halali
- 2.4 "Notisi" maana yake ni mawasiliano maalum ya kimaandishi kati ya mpangaji na mmiliki yatakayotolewa kwa mujibu wa mkataba huu.
- 2.5 "SIDO" maana yake ni Shirika la Kuhudumia Viwanda Vidogo ambalo katika mkataba huu ndilo mmiliki.

3.0 UHALALI WA MKATABA

- 3.1 Mkataba huu utanza kutumika siku na tarehe uliosainiwa na pande mbili za mkataba na utadumu kwa kipindi chote cha makubaliano, ambacho ni hadi baada ya mpangaji kuweza kurejeshewa kiasi chote cha fedha alichotumia kwenye ujenzi.
- 3.2 Mkataba huu hautatafsiriwa kuwa halali ikiwa haujatiwa saini na pande zote mbili.
- 3.3 Makubaliano mengine yoyote (ya mdomo au maandishi) yaliyofanyika kabla ya mkataba huu, ikiwa ni pamoja na michoro iliyothibitishwa ya ujenzi itakuwa sehemu ya mkataba huu.
- 3.4 Mkataba huu utarejewa kila baada ya miaka mitatu na kusainiwa upya na pande zote.
- 3.5 Mkataba huu ukimalizika muda wake, au wakati wa marejeo baada ya kipindi cha miaka mitatu, unaweza kurejewa kwa makubaliano kama haya au kwa makubaliano mengine.

4.0 MASHARTI YA MKATABA

- 4.1 Mpangaji atajenga kwa gharama zake mwenyewe majengo mawili (2) kwa gharama isiyoziidi Sh. Milioni mia mbili sabini na moja mia tatu arobaini elfu tu (Tsh.271,340,000/=) na atakuwa mpangaji wa majengo hayo.

- 4.2 Gharama za ujenzi wa majengo zilizothibitishwa na kutajwa katika aya ya 4.1 zitakuwa ndizo gharama halisi za ujenzi na zitatumika kama kigezo cha kutathmini kiwango cha kodi.
- 4.3 Ujenzi wa majengo yaliyotajwa utaanza na kuendelea kujengwa kama ilivyotajwa kwenye makubaliano ya awali na utatakiwa uwe umekamilika kufikia mwezi Desemba, 2009.
- 4.4 Kodi ya upangaji itaanza rasmi kutozwa ifikapo Januari, 2010, mara baada ya ujenzi kukamilika.
- 4.5 Kodi ya pango kwa majengo yote mawili (2) itakuwa Shilingi za Kitanzania laki tano na ishirini tu (520,000/=) kwa mwezi.
- 4.6 Mpangaji atailipa SIDO Shilingi za Tanzania 130,000/[= kwa mwezi zikiwa ni asilimia ishirini na tano (25%) ya kodi ya kupanga eneo hilo la biashara, sawa na robo ya kodi yote kwa mwezi.
- 4.7 Mpangaji atabaki na asilimia sabini na tano (75%) ya kodi halisi ya pango kama gharama ya kufidia ujenzi wa jengo sawa na shilingi za kitanzania 390,000/=. Fedha hizi zinatarajiwa kulipwa kwa kipindi cha miaka hamsini na saba (57).
- 4.8 Viwango vya kodi ya pango vitafanyiwa marekebisho kila baada ya miaka mitatu na kodi itaweza kupanda au kushuka kutegemeana na kupanda na kushuka kwa thamani ya fedha. Viwango vipya vya kodi vitakavyopendekezwa na SIDO vitapaswa kutumika.
- 4.9 Ikiwa viwango vya kodi ya pango vitabadilishwa kufuatana na aya 4.8 hapo juu, muda wa mkataba nao utaweza kubadilika.
- 4.10 Mpangaji hataruhusiwa kuhamisha upangaji wa eneo au sehemu ya eneo alilopangishiwa kwa mtu mwingine bila idhini ya maandishi ya SIDO.
- 4.11 Wakati wote wa uhai wa mkataba huu au baada ya kwisha kwa mkataba huu Mmiliki hatahusika kwa namna yeyote kulipa, kufidia au kuchangia hasara au athari yoyote dhidi ya binadamu, mazingira au vinginevyo iliyosababishwa na shughuli yeyote ya mpangaji katika eneo alilopanga au matokeo ya shughuli zake zilizofanyika ndani ya pango lake.

Edi

[Signature]

- 4.12 Mpangaji ataingiza umeme na maji kwenye jengo na pia ataweka mita ya umeme kwa gharama zake mwenyewe.
- 4.13 Miezi mitatu kabla ya mkataba huu kumalizika (kila baada ya miaka mitatu), Mpangaji ataandika barua kwa Mmiliki kuomba kusaini mkataba kwa kipindi kingine. Asipofanya hivyo itahesabika kuwa mkataba ukimalizika halapenda kuendelea na mkataba kwa kipindi kingine.
- 4.14 Mpangaji anaahidi kuendesha biashara yake kiustaarabu bila kuwabughudhi Wapangaji wengine au majirani na atahakikisha anafanya biashara iliyoelezwa kwenye mkataba huu tu. Ikiwa atataka kubadili aina ya biashara itambidi kupata kibali cha maandishi cha SIDO.
- 4.15 Mmiliki atatakiwa kuhakikisha miundombinu ya barabara inakuwa katika hali nzuri kwa muda wote wa uhai wa mkataba huu.

5.0 USITISHWAJI WA MKATABA NA MATOKEO YAKE


- 5.1 Kila upande unaweza kukatisha mkataba kwa kutoa notisi ya maandishi ya miezi mitatu ikielezea sababu za kutaka kukatisha mkataba.
- 5.2 Mkataba ukiisha na Mpangaji kuamua kuondoka, Mmiliki hatamlipa Mpangaji kwa maendelezo yoyote (unexhausted improvements) atakayokuwa amefanya kwenye eneo kama hakuna makubaliano ya maandishi na SIDO kuhusu kurejesha gharama.
- 5.3 Iwapo Mmiliki atasitisha mkataba kwa sababu zake mwenyewe, atawajibika kumlipa Mpangaji gharama za ujenzi zilizobaki baada ya kodi na makato yaliyofanywa.
- 5.4 Mpangaji atalazimika kutumia jengo atakalojenga wakati wote wa mkataba huu na kama ataacha kulitumia au atalitelekeza kwa muda wa miezi mitatu Mmiliki ana haki ya kumtaka kulivunja na kuondoka ili eneo lipewe mfanyabiashara mwingine anayehitaji.
- 5.5 Mpangaji atahusika na gharama za uzoaji taka na usafi katika eneo alilopanga.


6.0 MIGOGORO

- 6.1 Endapo kutatokea mgogoro wowote katika kipindi cha uhai wa mkataba huu kati ya mpangaji na mmiliki, basi mgogoro huo utatatuliwa kwa njia ya usuluhishi na maridhiano kwa kutumia Sheria za Tanzania.
- 6.2 Ikiwa njia za usuluhishi na maridhiano zitashirindikana, kila upande utakuwa na haki ya kwenda mahakamani.

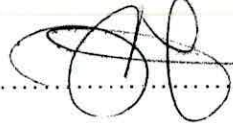
KAMA USHUHUDA mkataba huu umetiwa sahihi na pande zote tarehe, mwezi na mwaka uliotajwa hapo juu

IMEPIGWA Muhuri wa M/S SOUTHERN)
JUMBO CASHEWNUT LTD. (SJC))
na KUTOLEWA mbele yetu)
leo tarehe 11th)
mwezi AUGUST mwaka 2009)

Sahihi )
Anuani P.O. Box 10832, Dar-es-Salaam)
Wadhifa DIRECTOR)

Sahihi )
Anuani P.O. Box 76340, D.S.M.)
Wadhifa Secretary)

IMEPIGWA MUHURI wa)
SHIRIKA LA KUHUDUMIA VIWANDA VIDOGO)
na KUTOLEWA mbele yetu leo tarehe.....11.....)
mwezi Aug 11 mwaka 2009)

Sahihi 

Anuani Box 22 22 8.8m

Wadhifa Rm (.....

Sahihi 

Anuani Box 22151 8.8m

Wadhifa AFSA BIAHARA (BDO)

REGIONAL MANAGER
SMALL INDUSTRIES DEVELOPMENT ORGANIZATION
DABE, SALAM

I Certify this to be the true
Copy of the Original

Date 17.12.11

Sign 

MSECHU & CO.
ADVOCATES

WRECHT & CO.
ESTABLISHED

Price

Date

Copy of the original

I certify this to be the true