

ECOPHILIC COMP LTD

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 US\$ 1.05M

(b) Legal entity has been incorporated under certificate

No. 86422 of 10/11/2011

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

27th October, 2011

2.0

Ag. EXD

In response to the TIC letter of registration dated 27th October 2011

The project has submitted the required documents namely:-

(a) Company Board Resolution

(b) Reference letter/Financing from.....

(c) Lease Agreement as evidence of land.

With the above submission EXD is requested to sign Certificate of Incentives No. 042121 herein attached.

31st / October / 2011



DIF

MINUTE SHEET

Dokezo
No.



TANZANIA REVENUE AUTHORITY

TRA/CE/C/P20/8/1913

01.02.2012

The Managing Director,
Ecophilic Company limited,
P. O. Box 214,
Dar es Salaam

Dear Sir,

**RE: DUTY/VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS-
CERTIFICATE OF INCENTIVES NO.042121 OF 31.10.2011**

We are writing in response to your letter of 22.12.2010 and letter TICC/PP.10/042121/6 of 30.12.2011 from Tanzania Investment Centre regarding the captioned subject.

We hereby approve and submit four-page list of deemed capital goods for facilitation of your project with Certificate of Incentives mentioned above. It should be noted however that, other items like furniture, spare parts and consumable in your list could not be approved because are not among allowable items in your project. Vehicles are approved on understanding that are of age less than ten years from the years of manufacture. It is a condition that all locally manufactured items should be purchased locally.

The approved goods will be subject to 0% import duty and VAT relief under the 3rd Schedule to the VAT Act, Cap 148. You will however be requested to complete VAT forms 224 and submit the same to Commissioner for Customs and Excise for approval before clearance through customs.

Sincerely Yours

Said Athumani

For: Commissioner for Customs and Excise

RS/

c.c. Manager - Customs Service centre,

c.c. Manager – Tax exemption,

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

ISO 9001:2008 Certified

CUSTOMS & EXCISE DEPARTMENT

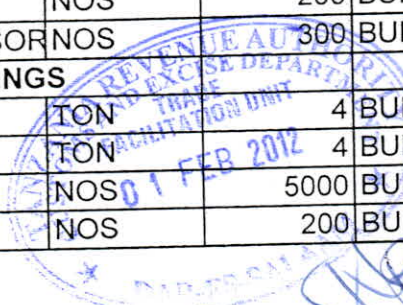
Sokoine Drive, P.O. Box 9053, Dar es Salaam, Tanzania

Tel: 255-22-2117765 or 255-22-2127783/4/6/8 Fax: 255-22-2138878/2135193

ECOPHILIC COMPANY LTD, RUNGEMBA MAFINGA, TANZANIA

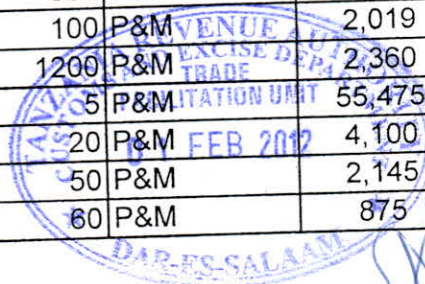
LIST OF MATERIALS FOR DUTY EXEMPTION

SNO	ITEM	UNIT	QTY	ITEM GROUP	ITEM PRICE [USD]	TIN NUMBER	EXEMPTION REF NO	REMARKS
A	BUILDING & PREMISES DEVELOPMENT							
1	CEMENT	BAGS	10000	BUILDING	60,000	115-182-633		
2	STEEL	TON	35	BUILDING	25,200	115-182-633		
3	BRICKS	NOS	300000	BUILDING	60,000	115-182-633		
4	G.I PIPE	NOS	10000	BUILDING	30,000	115-182-633		
5	M.S PIPE	NOS	10000	BUILDING	10,000	115-182-633		
6	H CHANNEL	NOS	500	BUILDING	2,000	115-182-633		
7	C CHANNEL	NOS	750	BUILDING	3,000	115-182-633		
8	G I SHEET	NOS	10500	BUILDING	20,050	115-182-633		
9	ASBESTOS SHEET	NOS	5000	BUILDING	4,100	115-182-633		
10	ALLUMINIUM SHEET	NOS	50	BUILDING	3,00	115-182-633		
11	IRON PLATE	NOS	1000	BUILDING	3,000	115-182-633		
12	PLASTIC PIPE	NOS	1000	BUILDING	4,00	115-182-633		
13	PLUMBING MATERIALS	NOS	15000	BUILDING	3,200	115-182-633		
14	WESTERN CLOSSET	NOS	50	BUILDING	2,000	115-182-633		
15	WASH BASIN	NOS	50	BUILDING	1,800	115-182-633		
16	SAND	TON	400	BUILDING	10,000	115-182-633		
17	METAL CHIPS	TON	400	BUILDING	12,500	115-182-633		
18	MIXER MACHINE	NOS	1	BUILDING	2,000	115-182-633		
19	SHOWEL	NOS	50	BUILDING	2,50	115-182-633		
20	STEEL NAILS	TON	1	BUILDING	240	115-182-633		
21	FLOOR TILES	SQ FT	50,000	BUILDING	20,000	115-182-633		
22	WATER STORAGE TANKS	NOS	15	BUILDING	1,800	115-182-633		
23	DOOR AND WINDOW FITTINGS	NOS	200	BUILDING	4,500	115-182-633		
24	ALUMINIUM FABRICATION ACCESSOR	NOS	300	BUILDING	1,500	115-182-633		
B	ELECTRICAL ISTALLATION & FITTINGS							
1	COPPER	TON	4	BUILDING	28,000	115-182-633		
2	ELECTRIC CABLE	TON	4	BUILDING	6,500	115-182-633		
3	ELECTRIC SWITCH	NOS	5000	BUILDING	2,250	115-182-633		
4	ELECTRIC FAN	NOS	200	BUILDING	1,000	115-182-633		



27/12/11

5	PVC PIPE	NOS	2100	BUILDING	6000	115-182-633		
6	CABLE PIPE	NOS	5000	BUILDING	2,000	115-182-633		
7	ELECTRIC SOCKETS	NOS	200	BUILDING	8,00	115-182-633		
8	INVERTOR WITH BATTERY	NOS	10	BUILDING	1,850	115-182-633		
ELECTRICAL EQUIPMENTS&ACCESSORIES								
1	WELDING MACHINE	NOS	20	EQUIPMENTS	1,150	115-182-633		
2	GRINDER	NOS	25	EQUIPMENTS	1,600	115-182-633		
3	GRINDER STONE	NOS	500	EQUIPMENTS	2,300	115-182-633		
4	CUTTING SAW [ROUND SAW]	NOS	500	EQUIPMENTS	800	115-182-633		
5	ROUND CUTTER SAW	NOS	100	EQUIPMENTS	1,950	115-182-633		
6	CHAIN SAW	NOS	25	EQUIPMENTS	3,000	115-182-633		
7	TOOL BOXES	NOS	25	EQUIPMENTS	1,675	115-182-633		
8	NUT BOLT	NOS	15000	EQUIPMENTS	2,125	115-182-633		
9	TUBE LIGHT & ELECTRIC BULBS	NOS	2000	EQUIPMENTS	800	115-182-633		
10	CELEING FAN	NOS	200	EQUIPMENTS	2,000	115-182-633		
11	AIR CONDITIONERS	NOS	10	EQUIPMENTS	3,800	115-182-633		
D PLANT & MACHINERIES								
1	HYDRAULIC HOT PRESS	NOS	10	P&M	2,75,000	115-182-633		
2	VENEER DRYER	NOS	5	P&M	85,000	115-182-633		
3	HEATER	NOS	5	P&M	1,600	115-182-633		
4	BOILER	NOS	10	P&M	16,000	115-182-633		
5	PEELING MACHINE	NOS	10	P&M	85,000	115-182-633		
6	GENERATOR	NOS	5	P&M	9,750	115-182-633		
7	SCISSOR LIFT	NOS	30	P&M	1,950	115-182-633		
8	DD SAW	NOS	15	P&M	2,675	115-182-633		
9	GLUE MIXER	NOS	20	P&M	2,125	115-182-633		
10	GLUE SPREADER	NOS	20	P&M	1800	115-182-633		
11	VINEER CUTTER	NOS	300	P&M	4,075	115-182-633		
12	COOLING FAN	NOS	100	P&M	2,019	115-182-633		
13	ROLLING TAPE	NOS	1200	P&M	2,360	115-182-633		
14	HYDRAULIC FACE PEELER	NOS	5	P&M	55,475	115-182-633		
15	CONVEYOR WITH MOTOR	NOS	20	P&M	4,100	115-182-633		
16	LAMINATED SHEET	ROLL	50	P&M	2,145	115-182-633		
17	ID FAN	NOS	60	P&M	875	115-182-633		

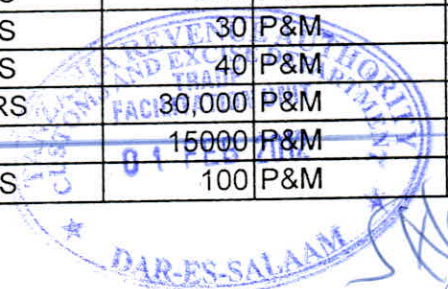


SAP
Approved



27/12/11

18	FD FAN	NOS	45	P&M	1,200	115-182-633		
19	SWITCH GEAR	NOS	75	P&M	2,310	115-182-633		
20	CIRCULATION PUMP	NOS	150	P&M	3,025	115-182-633		
21	TUBE HEATER & CHANGER	NOS	70	P&M	1,275	115-182-633		
22	CONTROL PANNEL	NOS	75	P&M	3,025	115-182-633		
23	FOUNDATION BOLT	NOS	350	P&M	850	115-182-633		
24	COMPRESSOR	NOS	10	P&M	1,050	115-182-633		
25	CHAIN BLOCK	NOS	15	P&M	1,210	115-182-633		
26	TRANSFORMER	NOS	5	P&M	38,000	115-182-633		
27	MOTOR	NOS	375	P&M	29,175	115-182-633		
28	BEARING	NOS	1000	P&M	2,980	115-182-633		
29	SHAFT	NOS	110	P&M	1,435	115-182-633		
30	OIL SEAL	NOS	500	P&M	600	115-182-633		
31	BELT	NOS	500	P&M	975	115-182-633		
32	PULLY	NOS	200	P&M	1,085	115-182-633		
33	SWITCH BOARD	NOS	500	P&M	1,400	115-182-633		
34	PANNEL BOARD	NOS	85	P&M	2,100	115-182-633		
35	CHAIN	ROLL	60	P&M	1,725	115-182-633		
36	BAN SAW	NOS	10	P&M	16,750	115-182-633		
37	RE SAW	NOS	10	P&M	7,500	115-182-633		
38	CROSS CUTTER	NOS	25	P&M	6,800	115-182-633		
39	TROLLY	NOS	100	P&M	4,500	115-182-633		
40	RAIL TRACK	NOS	40	P&M	1,900	115-182-633		
41	EDGE BINDING MACHINE	NOS	5	P&M	22,000	115-182-633		
42	HYDRAULIC PEELING MACHINE	NOS	10	P&M	98,000	115-182-633		
43	METAL SMOKE EXHAUST PIPE	NOS	100	P&M	4,000	115-182-633		
44	METAL OIL STORAGE TANKS	NOS	10	P&M	2,050	115-182-633		
45	STEARING	NOS	10	P&M	200	115-182-633		
46	BRUSH	NOS	250	P&M	150	115-182-633		
47	WHEEL	NOS	30	P&M	360	115-182-633		
48	ELECTRIC STARTERS	NOS	40	P&M	876	115-182-633		
49	MACHINERY INSTALLATION OIL	LTRS	30,000	P&M	12,350	115-182-633		
50	GREASE	KG	15000	P&M	3,600	115-182-633		
51	G.I SHEET	NOS	100	P&M	2,000	115-182-633		



27/12/11

E FURNITURE & FIXTURE						
1	OFFICE TABLE	NOS	30	F&F	750	115-182-633
2	OFFICE CHAIRS	NOS	60	F&F	400	115-182-633
3	COMPUTER TABLE	NOS	30	F&F	510	115-182-633
4	COMPUTER CHAIRS	NOS	30	F&F	450	115-182-633
5	BED & MATTRESSES	NOS	100	F&F	2000	115-182-633
6	SOFA SET	NOS	5	F&F	500	115-182-633
7	DINING TABLE WITH CHAIRS	NOS	6	F&F	1,200	115-182-633
8	CONFERENCE TABLE WITH CHAIRS	NOS	25	F&F	1250	115-182-633
9	FLOOR CARPETS	METRE	500	F&F	250	115-182-633
10	TELEVISION	NOS	15	F&F	4,100	115-182-633
11	WASHING MACHINES	NOS	10	F&F	2,000	115-182-633
F OFFICE EQUIPMENTS						
1	COMPUTER	NOS	30	O&E	12,000	115-182-633
2	CCTV WITH CAMERAS	NOS	30	O&E	900	115-182-633
3	PRINTERS & UPS	NOS	30	O&E	1200	115-182-633
4	TELEPHONE & EQUIPMENTS	NOS	30	O&E	875	115-182-633
5	XEROX MACHINE	NOS	3	O&E	550	115-182-633
6	FAX MACHINE	NOS	3	O&E	335	115-182-633
7	VAT MACHINE	NOS	5	O&E	380	115-182-633
8	FINGER PRINT MACHINE	NOS	5	O&E	1100	115-182-633
9	DE CODERS	NOS	20	O&E	297	115-182-633
10	REFRIGRATOR	NOS	10	O&E	1990	115-182-633
11	KITCHEN ITEMS	NOS	200	O&E	1135	115-182-633
G VEHICLE (COMMERCIAL)						
1	TRUCK	NOS	2	4 VEHICLE	90,000	115-182-633
2	CRANE	NOS	2	VEHICLE	38,890	115-182-633
3	PICK UP <i>SINGLE</i>	NOS	2	4 VEHICLE	39,987	115-182-633
4	MINI BUS [STAFF TRANSPORTATION]	NOS	1	VEHICLE	4,750	115-182-633
5	TRAILOR	NOS	2	5 VEHICLE	2,00,000	115-182-633
6	AUTOMOBILE SPARE PARTS	NOS	100	VEHICLE	3,000	115-182-633
				GRAND TOTAL		

EXCISE AND CUSTOMS FACILITATION UNIT
 01 FEB 2012
 DAR-ES-SALAAM

JNR
Approved

REGISTERED QUANTITY SURVEYORS MASTERS
 No. 88159.12/0
 27/12/11

TICC/PP.10/042121/6

30/12/2011

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

Dear Sir,

**RE: DUTY AND VAT REMISSIONS ON CAPITAL/ DEEMED
CAPITAL GOODS – CERTIFICATE OF INCENTIVES NO:
042121**

M/S Ecophilic Company Limited is a TIC registered company with certificate of incentives **No. 042121** which is valid up to **September 2014**

The company has been registered with objectives of establishing manufacturing plant of medium density fibre board and plywood.

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

Yours sincerely

TANZANIA INVESTMENT CENTRE



N.A. Senzia

FOR: EXECUTIVE DIRECTOR

110
**ECOPHILIC COMPANY LTD, P. O. Box 287, MAKWAWA,
RUNGEMBA, MAFINGA, IRINGAREGION, TANZANIA,
TELEPHONE NUMBER+255774381077.**

5

Commissioner of customs & Excise
Tanzania Revenue Authority
P.O. Box9053
DAR ES SALAAM

22nd December 2011

UFS
Executive Director
Tanzania Investment Centre
P.O. Box 938
DAR ES SALAAM



Dear Sir

**RE: DUTY &VAT EXEMPTION ON CAPITAL/DEEMED CAPITAL GOODS FOR
CERTIFICATE OF INCENTIVES NO: 042121**

We are tic approved project with certificate of incentives NO: 042121 which is valid up to October 2014

The company has been registered with objectives of to establish manufacturing plant of medium density fibre board and plywood

Attached herewith please find a list of capital/ deemed capital goods for Duty and VAT exemption approved

Yours sincerely

A handwritten signature in black ink, appearing to be "M. M. M.", written over a horizontal line.

Managing Director



ECOPHILIC COMPANY LTD, RUNGEMBA MAFINGA, TANZANIA

LIST OF MATERIALS FOR DUTY EXEMPTION

SNO	ITEM	UNIT	QTY	ITEM GROUP	ITEM PRICE [USD]	TIN NUMBER	EXEMPTION REF NO	REMARKS
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7	C CHANNEL	NOS	750	BUILDING	3,000	115-182-633		
8	G I SHEET	NOS	10500	BUILDING	20,050	115-182-633		
9	ASBESTOS SHEET	NOS	5000	BUILDING	4,100	115-182-633		
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3	GRINDER STONE	NOS	500	EQUIPMENTS	2,300	115-182-633		
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2	VENEER DRYER	NOS	5	P&M	85,000	115-182-633		
3	HEATER	NOS	5	P&M	1,600	115-182-633		
4	BOILER	NOS	10	P&M	16,000	115-182-633		
5	PEELING MACHINE	NOS	10	P&M	85,000	115-182-633		
6	GENERATOR	NOS	5	P&M	9,750	115-182-633		
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42	HYDRAULIC PEELING MACHINE	NOS	10	P&M	98,000	115-182-633		
43	METAL SMOKE EXHAUST PIPE	NOS	100	P&M	4,000	115-182-633		
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27/12/11

E	FURNITURE & FIXTURE						
1	OFFICE TABLE	NOS	30	F&F	750	115-182-633	
2	OFFICE CHAIRS	NOS	60	F&F	400	115-182-633	
3	COMPUTER TABLE	NOS	30	F&F	510	115-182-633	
4	COMPUTER CHAIRS	NOS	30	F&F	450	115-182-633	
5	BED & MATTRESSES	NOS	100	F&F	2000	115-182-633	
6	SOFA SET	NOS	5	F&F	500	115-182-633	
7	DINING TABLE WITH CHAIRS	NOS	6	F&F	1,200	115-182-633	
8	CONFERENCE TABLE WITH CHAIRS	NOS	25	F&F	1250	115-182-633	
9	FLOOR CARPETS	METRE	500	F&F	250	115-182-633	
10	TELEVISION	NOS	15	F&F	4,100	115-182-633	
11	WASHING MACHINES	NOS	10	F&F	2,000	115-182-633	
F	OFFICE EQUIPMENTS						
1	COMPUTER	NOS	30	O&E	12,000	115-182-633	
2	CCTV WITH CAMERAS	NOS	30	O&E	900	115-182-633	
3	PRINTERS & UPS	NOS	30	O&E	1200	115-182-633	
4	TELEPHONE & EQUIPMENTS	NOS	30	O&E	875	115-182-633	
5	XEROX MACHINE	NOS	3	O&E	550	115-182-633	
6	FAX MACHINE	NOS	3	O&E	335	115-182-633	
7	VAT MACHINE	NOS	5	O&E	380	115-182-633	
8	FINGER PRINT MACHINE	NOS	5	O&E	1100	115-182-633	
9	DE CODERS	NOS	20	O&E	297	115-182-633	
10	REFRIGRATOR	NOS	10	O&E	1990	115-182-633	
11	KITCHEN ITEMS	NOS	200	O&E	1135	115-182-633	
G	VEHICLE (COMMERCIAL)						
1	TRUCK	NOS	4	VEHICLE	90,000	115-182-633	
2	CRANE	NOS	2	VEHICLE	38,890	115-182-633	
3	PICK UP	NOS	4	VEHICLE	39,987	115-182-633	
4	MINI BUS [STAFF TRANSPORTATION]	NOS	1	VEHICLE	4,750	115-182-633	
5	TRAILOR	NOS	5	VEHICLE	2,00,000	115-182-633	
6	AUTOMOBILE SPARE PARTS	NOS	100	VEHICLE	3,000	115-182-633	
H	CONSUMABLES						
				GRAND TOTAL			



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

KATTUNGA ANJAR A.
37896112

1
TFN: 614 (Rev. 8.94)
4

EXCHEQUER RECEIPT

NIMEPOKEA KWA
Received from
SCOPHINE COMPANY LTD



KIASI
Amount

Shs.				Cts.			
USD	7	50					

JUMLA YA SHILINGI (Kwa maneno)
The sum of Shillings (Words) USD 750 ONLY

NA SENTI
And Cents

KWA MALIPO YA
In respect of CERTIFICATE OF INCENTIVES

KWA FEDHA TASLIMU/HUNDI
NAMBA By Cash/Cheque No. D DEPOSIT 211012011

KITUO - Station

SAHIHI YA MPOKEAJI
Signature

CHEO - Title

TAREHE - Date

B.M.



Handwritten signature

3

TICC/PP.10/042121/3

27th October, 2011

Managing Director,
Ecophilic Company Ltd.,
P.O. Box 214,
DAR ES SALAAM

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF MANUFACTURING PLANT FOR MEDIUM DENSITY
FIBRE BOARD AND PLYWOOD**

We wish to acknowledge receipt of your project proposal of establishing a manufacturing plant for medium density fiber Board and Plywood as presented in the TIC P.A. 1 Form No. 09551 and Feasibility Study with a projected investment of USD 1.05m.

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.

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

.../2



TIC Evaluation Report

Name of the Company
Ecophilic Company Ltd.

Post Box	Mandela Road, Plot No. 65	COI Number	86422	Contact	Mr. K. A. Ashraf
Post Office	214	COI Date	10/11/2011	Designation	Managing Director
Region	Dar Es Salaam	Application F. No	09551	Phone	0
Country	Tanzania	Status	New	Direct Phone	0
		Sector	Manufacturing	Cell Phone	07774 28 322
		Sub Sector	Timber Processing	Fax	0
		File No	042121	E-Mail Address	Jithukarim@Yahoo.Com

Project Location		Investment Finance Plan in Millions USD											
Plot/Block	Plot No. 65	<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>1.05</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Foreign Equity	Local Equity	Foreign Loan	Local Loan	1.05	0	0	0			
Foreign Equity	Local Equity		Foreign Loan	Local Loan									
1.05	0		0	0									
Street	Mandela												
District	Ilala												
Region	Dar es Salaam												

Shareholders Detail			Investment Breakdown (USD Million)	
Name	Nationality	(%)	Land/Building	0.3
Janshid Abdul Karim	Indian	25	Plant	0.3
Kattungal Aliyar Ashraf	Indian	75	Vehicles	0.25
			Furniture & Fittings	0.02
			Pre-expenses	0.045
			Others	0.005
			Working Capital	0.13
			Total	1.05

Employment	30	Evaluated By	wf officer3
Capacity	3000 boards per month	Drawn By	wf regist3
Project Turn Over		Project Type	Foreign

Description

To establish manufacturing plant of medium Density Fibre Board and Plywood

Recommendations

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

Decision

Approved

 Ag EXI
 26/10/11

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

1

Sir/

RE: APPLICATION FOR TIC CERTIFICATE OF INCENTIVES

Please refer the above company.

ECOPHILIC COMPANY is company incorporated in Tanzania with Certificate of Incorporation No. 86422 Dated 11 October 2011 applying to register the real estate project (commercial building) to be implemented in Ilala Municipal, DAR ES SALAAM.

Kindly find the following attachment:

1. TIC Application Form
2. Business Plan
3. Certified Title Deed
4. Board Resolution
5. Introduction Letter from Bank

Waiting to hearing from you soon

Regards

Managing Director





TANZANIA INVESTMENT CENTRE

REGISTRATION FORM

FOR

CERTIFICATE OF INCENTIVES

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

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

(Please fill the form in duplicate)

UNITED REPUBLIC OF TANZANIA

THE TANZANIA INVESTMENT ACT
(No. 26 of 1997)

APPLICATION FOR REGISTRATION
(Made under Regulation 42)

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

1. I/We KATTUNGAL ALIYAR ASHRAF
(director/directors/agent of OF ECOPHILIC COMPANY LIMITED
(name of business enterprise) apply for registration of TIC CERTIFICATE

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 MANDELA ROAD,
PLOT No 65, ILALA, DAR ES SALAM

Copies of the following documents are attached to this application:

- (i) The Memorandum and Articles of Association/or partnership agreement
- (ii) Certificate of Incorporation/Registration
- (iii) A copy of the Project Profile or Feasibility Study showing the implementation period, programme of implementation and operative date
- (iv) Evidence of financing and evidence of land ownership for the project

3. The Head Office of the Company will be situated at MANDELA ROAD, ILALA, DAR ES SALAM.

4. The Principal Officers of the Company are 1. KATTUNGAL ALIYAR ASHRAF
2. JAMSHID ABOUL KARIM

5. Auditors of the Company are TO BE APPOINTED LATER

6. The authorized share capital of the Company is Tshs./US\$ 1.5 BILLION TSHS

7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,050,000 US\$
8. The month and day of the financial year end is 31st DECEMBER

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

I/We enclose a cheque/cash made payable to the **Tanzania Investment Centre** for Tshs./US\$

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

I, KATTUNGAL ALIYAR AHMAD of Post Office Number 214 DAR-ES

SALAM do solemnly and sincerely declare that I am a director/~~du~~

authorized agent of ECOPHILIC COMPANY LIMITED

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

Declared at Dar es Salaam }

The 11th day of October 2011 }


Applicant

Before me:





Commissioner for Oaths

APPLICATION SUMMARY

Company Name: ECOPHILIC COMPANY LIMITED

Certificate of Incorporation Number: 86422 Status: NEW

Certificate of Incorporation Date: 11th October 2011

Post Box: 214

Town: DAR-ES-SALAM

Sector: MANUFACTURING Sub-Sector: TIMBER

Investment Financing Plan in Million US\$/Tshs.

Foreign Equity	Local Equity	Foreign Loan	Local Loan
<u>1,050,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

Project Objectives: To manufacture Medium Density Fibre Board and Plywood

Capacity: 3000 BOARDS PER MONTH

Employment: Foreign: 10 Local: 20 Total: 30

Implementation Period: 3 YEARS

Project Location

Site/Plot/Block No.: 65

Street: MANDELA ROAD District: ILALA Region: DAR-ES-SALAM
 (Attach sketch map showing project location)

Shareholders	Nationality	%
<u>KATTUNGAL ALIYAK ASHRAF</u>	<u>INDIAN</u>	<u>75</u>
<u>JAMSHID ABDULL KARIM</u>	<u>INDIAN</u>	<u>25</u>
.....
.....

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

Land/Building 300,000
Plant 300,000
Vehicles 250,000
Furniture & Fittings 20,000
Pre-expenses 45,000
Others 5,000
Working Capital 1,30,000
TOTAL 1,050,000

Contact Details:

Name: K.A Ashraf Title: Mr

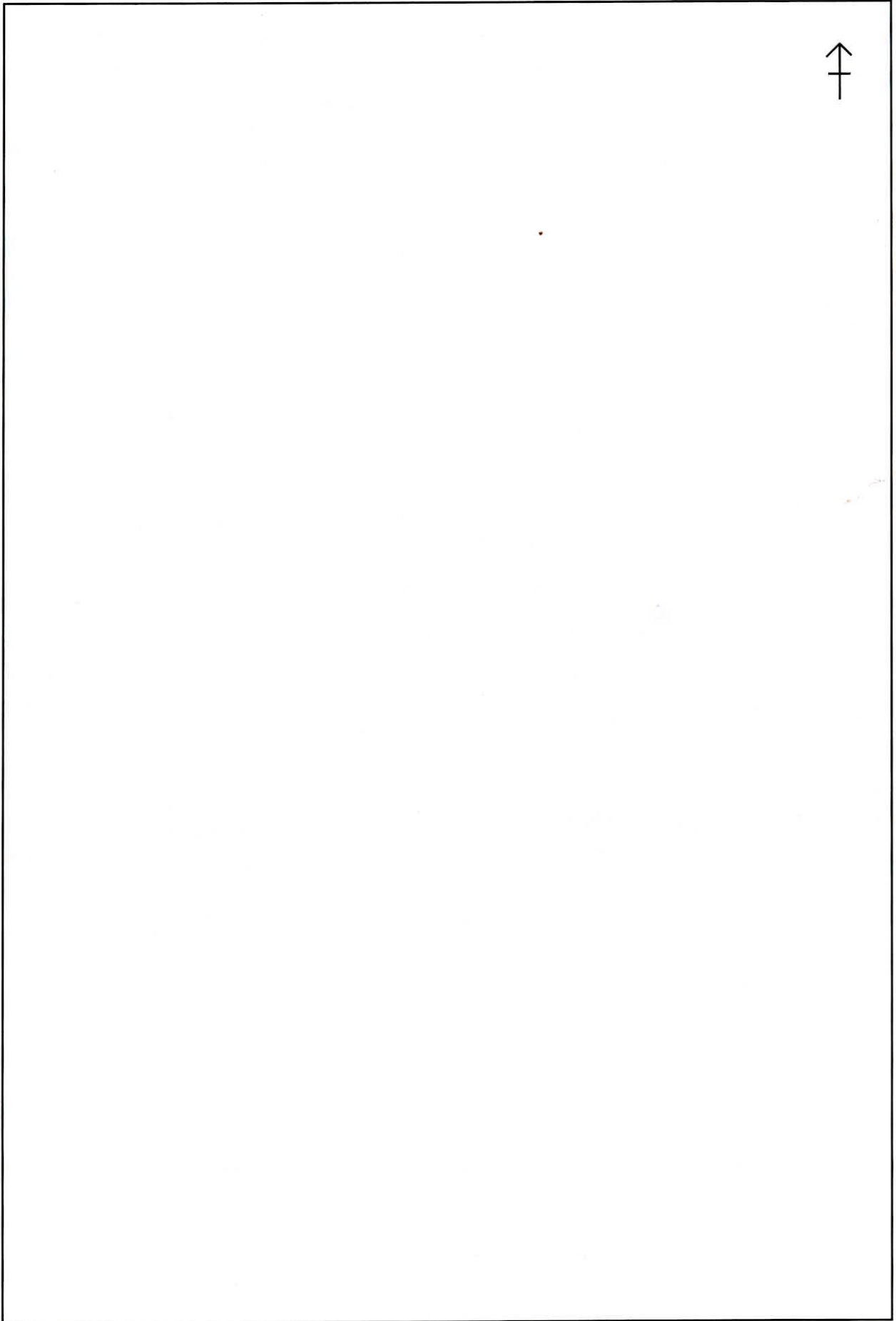
Telephone: 0777428322 Fax:

Email: jithukavim@yahoo.com

Payments to be made payable to:

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

SKETCH MAP SHOWING PROJECT LOCATION



LEASE AGREEMENT

AN AGREEMENT: Dated 21 October 2011 made between

ISRAEL MNYIFUNDE MBALINGA

P.O Box 287

MAFINGA-IRINGA (hereinafter referred to as the said "lessor" of the other part)

AND

ECOPHILIC COMPANY LTD

DAR ES SALAAM (hereinafter referred to as the said "lessee of the said part)

WHERE IT IS AGREED as follows;

1. That the leaser offers 5 acres being at Makwawa, Rungemba, Mafinga, Mufindi (hereinafter referred to as said property) for business purpose for the period of 5 years from 21 October 2011 to 21 October 2016 hereinafter referred called the "effective date" at the monthly rent of four hundred thousand shilling only (400,000/=) per month
2. That it is agree between the parties herein that the said rent will remain fixes for entire two years, the it will be evaluated according to market price
3. The property will be free for occupation as from the 21 October 2011 up to 21 October 2016
4. Up execution of this agreement the lessee shall be entitled to enter into full possession of the property

5. Until the expire of the lease period the lease shall pay the land rent, service charges levied on property
6. The lease shall pay all all charge for electricity, water, telephone and other service use by him in the premises during the term of this lease period
7. The lessee will not sublet the property without prior written consent of the consent of lease
8. That the lessee shall have authority at the experience, to carry alteration without prior written consent of the consent of the leaser
9. The lessee shall peaceably hold and enjoy the said property during the tenancy hereby created without any interruption by the leaser or any person rightfully claiming under or in trust for him. But with prior appointment, the lease or his agent shall have the right to inspect the property
10. The lessee shall use the said premises commercial
11. It is agree between the parties herein that this leaser will be renewable for further period on the new rent and terms and conditions to be negotiated and agree between parties

WITNESS WHEREOF by said

At Mkwawa, Rugemba, Mafinga this ^{21/10} day of 2011



LESSOR

Before me ISRAEL MUYI FUNDZEMBALINGA

Signature 

Postal Address 287 MAFINGA - IRINDA

SIGNED AND DELIVERED by said

At Mkwawa, Rugemba, Mafinga this ^{21st} day of 2011

B. M. P.

LESSEE

Before me-----

Signature----- A. B. Ahet.

Postal Address----- 19872 Dam





**THE
FEDERAL BANK
LIMITED** REGD OFFICE: ALWAYS

Br. Aluva/RSS
P.B. No. 80, CSI Diamond Arcade,
Pump Junction,
Aluva - 683 101
Phone - 0484 -2620092
0484 -2625216,
e-mail alwb@federalbank.co.in

ALWB/ 11320100199115/ /2011

25/10/ 2011.

--- CERTIFICATE ---

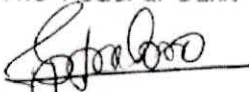
This is to certify that Sri Ashraf K A, Kattungal House, Marvar Junction ,Madrassa Lane, Aluva 683101 is a known customer of our branch.

He is well known to the bank and his financial condition is stable and is running the following businesses.

1. Miya Filmiya Industries.
2. Olive Board Rubber Factory .

These companies are engaged in production of Plywood and Wooden Boards.

The Federal Bank Ltd,


C.P. Poulouse
Chief Manager



C.P. POULOSE. A1547

**EXTRACT FROM MEETING OF THE BOARD OF DIRECTORS AND
SHAREHOLDERS OF**

ECOPHILIC COMPANY LTD

AT A DULY CONVENED AND CONSTITUTED MEETING OF THE BOARD OF
ECOPHILIC COMPANY LTD HELD AT REGISTERED OFFICES OF THE
COMPANY PLOT NO: 65, MANDELA ROAD INDUSTRIAL AREA Road, ILALA
DISTRICT ,DAR ES SALAAM ON 12 of October 2011,the following resolutions were
passed:

1. THAT US\$ 1,050,000 BE ALLOCATED TO FINANCE THE SETTING UP A
FACTORY
2. THAT THE COMPANY BE REGISTERED WITH TANZANIA INVESTMENT
CENTRE SO AS TO ENJOY FULLY INVESTMENT INVENTIVES,
BENEFITS AND PROTECTION AS STATUTORY PROVIDED FOR UNDER
TANZANIA INVESTMENT ACT, 1997.

CERIFIED TRUE EXTRACT

(By order of the Board)



CHAIRMAN

KATTUNGIALALIYARASHRAF.



SECRETARY

JAMSHID ABDEL
KARIM

TANZANIA



Certificate of Incorporation

Section 15

No 86422

I HEREBY CERTIFY THAT


ECOPHILIC COMPANY LIMITED

is this day incorporated under the Companies Act, 2002 and that the Company is Limited.

Given under my hand at Dar es salaam

this **11TH** day of **OCTOBER**

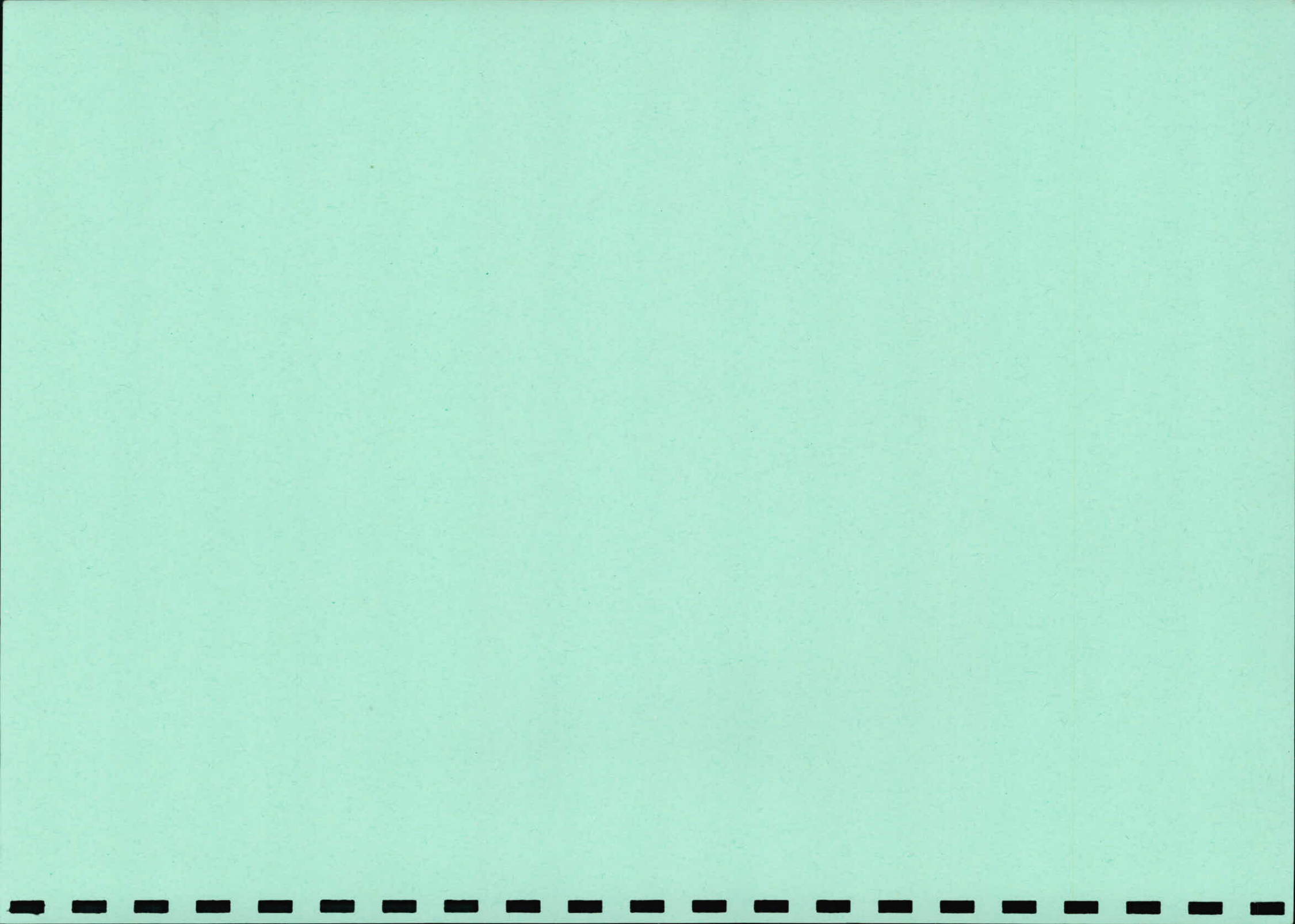
TWO THOUSAND AND ELEVEN.


Asst. Registrar of Companies

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM AND ARTICLE
OF
ASSOCIATION
OF
ECOPHILIC COMPANY LIMITED

Incorporated at this day of-----2011

Drawn by:
Mr. Kattungal Aliyar Ashraf (Subscriber)
P.O Box 214
DAR ES SALAAM



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM AND ARTICLE
OF
ASSOCIATION
OF
ECOPHILIC COMPANY LIMITED

Incorporated at this day of-----2011

Drawn by:
Mr. Kattungal Aliyar Ashraf (Subscriber)
P.O Box 214
DAR ES SALAAM

THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES
MEMORANDUM OF ASSOCIATION
OF
ECOPHILIC COMPANY LIMITED

TANZANIA
Stamp Duty Sbs. 19215 of
Receipt No. 19215 of
Stamp Duty Sbs. 19215 of
Stamp Duty Sbs. 19215 of

TANZANIA
Stamp Duty Sbs. 19215 of
Receipt No. 19215 of
Stamp Duty Sbs. 19215 of
Stamp Duty Sbs. 19215 of

1. The name of the Company is **ECOPHILIC COMPANY 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:-
 - 3.1 To carry on business of manufacturing, exporting of medium density fiber board, plywood, wood veneers, block boards, skin door, flush door, packing case and processed timber.
 - 3.2 To carry on the business of importing and selling urea, methanol, urea formaldehyde, veneers, phenol formaldehyde, phenol and other related materials for manufacturing,
 - 3.3 To manufacture, put up, distribute and use telephones, facsimile, telex, telegraphs (wireless or other), dynamos, accumulators, lamps and all apparatus now know or that may hereafter be invented, connected with the generation, accumulation, distribution, supply and employment of electricity or any power that can be used as a substitute therefore, including all cables, wires or appliances for connecting apparatus at a distance with other apparatus, and including the formation of exchange dor centers
 - 3.5 To carry on business as wholesalers and retailers and to act as merchants, traders, commission agents, importers and exporters, buy, sell barter, exchange, make advances upon, or otherwise deal in goods, produce articles and merchandise.

- 3.6 To carry on business as traders, general merchants, whether wholesale or retail or both, commission agents, importers and exporters and to buy, sell hire, manufacture, barter, trade and deal in property, goods, produce, articles and merchandise of all kinds and to transact any an every description of agency commission, commercial, industrial, manufacture, mercantile, insurance and financial business.
- 3.7 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, hire purchase or easy payment system of manufacturers and contractors of articles and goods of all kinds.
- 3.8 To undertake and transact all kind of agency or business which ordinary individuals may legally undertake.
- 3.9 To buy, sell manufacture, repair, after and otherwise deal in apparatus, plant, machinery fittings, furnishings, tools, materials, products and things of all kinds capable of being used for the purpose of business or any of them or likely to be required by the customers of the Company.
- 3.10 To purchase, acquire, takeover, promote, establish and carry on the business of manufacturers, dealers, distributors, representatives and agents of goods, chattels, and products made out of natural or artificial raw materials and to treat, prepare, render marketable, buy sell and dispose of any such products either in their raw or manufactured state.
- 3.11 To carry on the trade or business of engineers, founders, smiths, metal works, civil works, machinists, manufacturers and patentees.
- 3.12 To let out on hire all or any of the property of the Company (whether real or personal), including every description of apparatus or appliances of the Company.
- 3.13 To make experiments in, and public exhibitions of electrical machinery and appliances.
- 3.14 To manufacture, buy, sell, and generally deal in any plant, machinery, tools, goods and things of any description which in the opinion of the Company may be conveniently dealt with the Company in connection with any of its objects.
- 3.15 To enter into any contracts in relation to and to erect, construct, maintain, alter, repair, pull down and restore either alone or jointly with any other companies or persons, works, of all descriptions, including wharves, docks, piers, railways, train ways, waterways, roads, bridges, warehouses,

factories, mills, engines, machinery, railway carriages, and wagons, ships and vessels of every description, gas works, power generators, solar systems, electric works, water works, drainage and sewage works and buildings of every description.

- 3.16 To carry on any other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render more profitable any of the Company's property.
- 3.17 To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit, and in particular by issue of debenture or debenture stock perpetual or otherwise, and to secure the repayment of any money borrowed, raised or owing by mortgage, charge or lien upon all or any of the property or assets of the Company both present and future including its uncalled capital and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be.
- 3.18 To carry out the business of electrical, mechanical engineers, civil engineers, manufacturers, workers and dealers in electrical apparatus and goods and the manufacture or hire of apparatus or goods to which the application of electricity or any kind of power, or any power that can be used as a substitute therefore, is or may be useful, convenient, or ornamental, or any other business of a like nature.
- 3.19 To manufacture and produce and, either as principals or agents, trade and deal in any articles belonging to any such business and all apparatus, appliances and things used in connection therewith, or with any inventions, patents or privileges for the time being belonging to the Company.
- 3.20 To apply for, purchase, or otherwise acquire and protect and renew in any part of the world, any patents, brevets invention, trade marks, designs, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to their use or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or indirectly to benefit the Company and to use, exercise, develop or grant licenses in respect of, or otherwise turn to account the property, rights, or information so acquired.
- 3.21 To purchase or otherwise acquire houses, offices, workshops, buildings, and premises, and any fixed and movable machinery, tools, engines,

boilers, plant implements, patterns, stock in trace, patents and patent rights, convenient to be used in or about the trade or business of engineers, founders, smiths or machinists.



To undertake and transact all kind of agency or business which ordinary individuals may legally undertake.

- 3.22 To carry on in the United Republic of Tanzania or elsewhere all or any one or more of the following businesses namely the buying, selling, letting, on hire, the purchase or easy payment system of manufacturers and contractors of articles and goods of all kinds.
- 3.23 To carry on business as traders, general merchants, whether wholesale or retail or both, commission agents, importers and exporters and to buy, sell, hire, manufacture, barter, trade and deal in property, goods, produce, articles and merchandise of all kinds and to transact any and every description of agency commission, commercial, industrial, manufacturing, mercantile, insurance and financial business.
- 3.24 To carry on business as bankers, industrial bankers, financiers, monetary agents, concessionaires and merchants, and to undertake and carry on and execute all kinds of financial trading and other operations.
- 3.25 To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the property or rights of the Company.
- 3.26 To acquire, and undertake the whole or any part of the business property and liabilities of any person or company carrying on or proposing to carry on any business which the Company is authorized to carry on or possessed of property suitable for the purpose of the Company or which is capable of being conducted so as to directly or indirectly benefit the Company.
- 3.27 To amalgamate, enter into partnership or into any arrangement for sharing profits, union of interest cooperation, joint adventure or reciprocal concession or for limiting competition with any person or company carrying on or engaged in, or about to carry on or engage in any business or transaction which can be conjunction therewith or which is capable of being conducted so as directly or indirectly to benefit the Company.
- 3.29 To carry on the business of manufacturing, assembling and distribution of all types of electronic products, apparatus, electrical appliances, equipment and computers, word processors, any hardware and software connected with the computer industry and also sale and maintenance thereof.

- 3.30 To manufacture, make, design, assemble, repair or maintain calculating machines, household electrical appliances, audio and video electronic equipment and computers, work processors, any hardware and software connected with the computer industry and also sale and maintenance thereof.
- 3.31 To manufacture, make, design, assemble, repair or maintain calculating machines, household electrical appliances, audio and video electronic equipment, alarm systems, solar systems, power conditioners, air conditioners, power generators, or any accessories or other machines, instrument parts or devices.
- 3.32 To carry on all or any of the business or manufacturers, installers, maintainers, repairers, of and apparatus of every description and if and in radio, television, munication requisites and suppliers, and electrical and electronic apparatus appliances, equipment and stores of all kinds.
- 3.33 To distribute among the members in specie any property of the Company, or any proceeds of sale or disposal of any property of the Company, but so that no distribution amounting to a reduction of capital shall be made except with the sanction, if any the time being required by law.
- 3.34 To act as agents, or brokers, and as trustees for any person or company and to undertake and perform sub-contracts and to do all or any of the above things in any part of the world, and either as principals, agents, trustees, contractors, or otherwise and either alone or jointly with others, and either by or through agents, sub-contractors, trustees or otherwise.
- 3.35 To do all or any of the matters and things hereby authorized and all such other things as may be deemed incidental or conducive to the attainment of the above objects or any of them (in any part of the world) either alone or in conjunction with, or as factors, trustees or agents for, any other companies or persons, or by or through any factors trustees or agents
- 3.36 To carry on business of agricultural farming, wood, flowers, cash crops fruits, vegetables, and other edible crops

4. The liability of the members is limited.
5. The share capital of the Company is Tanzania Shillings 1,500,000,000/=divided into 10,000 shares Shillings 150,000/=,the Company shall have power from time to time to increase or subject to confirmation by the court reduce its capital into several classes and to attach thereto respectively any preferential or deferred, qualified or special rights, privileges and conditions.

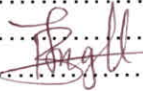
We, the several persons whose names, addresses and descriptions are desirous of being formed into a Company, in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURES OF SUBSCRIBERS
Mr. Kattungal Aliyar Ashraf Kattungal House, Kandanthara, Alapra P.O, Eranakulam, KERALA.INDIA.683553	7,500	
Mr. Jamshid Abdul Karim Mulangath House, Chowwara P.O, Aluva, Eranakulam, KERALA.INDIA.683571	2,500	

Dated this 10th Day of October 2011

WITNESS to the above Signatures:

Name:

Signature: 

Address: Box 15865 DSA



THE COMPANIES ACT 2002
COMPANY LIMITED BY SHARES

ARTICLE OF ASSOCIATION
OF

ECOPHILIC COMPANY LIMITED

TANZANIA
Stamp Duty (Shs. 5000/-)
Stamp Duty for
1975 of
Articles of Association

TANZANIA
Stamp Duty Shs. 5000/-
PAID ON ORIGINAL
Receipt No. 1975 of 11/11/11

PRELIMINARY

1. In these regulations:-
"The Act" means the Companies Act 2002 of the Laws of Tanzania.

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

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

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

The regulations of Companies Act shall not apply to the company; save in so far as they are varied or excluded hereby, but in case of any conflict between the provisions herein, and the provisions under this regulation the former shall prevail, and in addition to substitution shall be the regulations of the company.

PRIVATE COMPANY

2. The Company is a Private Company and accordingly:-
 - (a) The right to transfer shares is restricted in manner hereinafter prescribed.
 - (b) The number of members of the company (exclusive of persons who are in the employment of the Company and of persons who have been formerly in the employment of the company were while in such employment to be the member of

the company) is limited fifty, provided that where two or more persons hold one or more shares in the company jointly they shall for the purpose of this regulation be tested as a single member.

- (c) Any invitation to the public to subscribe for any shares or debentures of the Company is prohibited.
- (d) The Company shall not have power to issue share warrants to bearer.

TRANSFER OF SHARES

- 3. The Directors may in their direction and without assigning any reason thereof refuse to register the transfer of any share to any person who in their opinion be undesirable for any reason whatsoever to admit to membership.
- 4. Subject to clauses 2 and 3 hereof the right to members to transfer their shares shall be restricted as follows;
 - (a) No share shall be transferred to a person who is not a member so long as any member of any person selected by the Directors as one who it is desirable in the interest of the Company to admit to membership.
 - (b) Every shareholder or trustee in bankruptcy, or any person who may desire to sell or transfer any such shares and every who may desire to sell or transfer any such shares and every personal representatives of a deceased shareholder shall give notice in writing to the Directors that he desires to make such sale or transfer. Such notice shall constitute the Board of Directors of the Company as his agent for the sale of the said shares to any member or members of the company at the price to be agreed upon between the party giving such notice the party and the board, or in case of difference to be determined by the Auditor of the Company.
 - (c) Upon price of such shares being agreed on as determined as per clause (b) above, the board shall forthwith give notice to such of the shareholders other than the shareholders desiring to sell or transfer the said shares, stating the number and price of such share inviting the person to whom notice is sent to state within 21 days from the date of such notice whether he is willing to purchase any, if so what maximum number of such shares. At the expiration of such days 21 notice the board shall apportion such shares amongst the shareholders (if more than one) who shall have expressed their desire to purchase number of shares already held by them respectively, or if there be only one such shareholder, that the whole of such shares shall be sold to him, provided no shareholder shall be obliged to take more than the maximum number of such shares stated in his answer to the said notice.

Upon such apportionment being made or such one shareholder notifying his intention to purchase, as the case may be, the party desiring to sell or transfer

such shares shall be bound upon payment of the said price to transfer the shares to the respective shareholders or to single shareholder who shall have agreed to purchase the same.

5. GENERAL MEETINGS: NOTICE OF GENERAL MEETING AND PROCEEDINGS OF THE GENERAL MEETINGS.

The regulation of Companies Act shall apply to the following variations:-

- (a) A General Meeting, Ordinary or Extraordinary may with the consent in writing of all members, be convened on a shorter notice than seven days or without notice.
- (b) Two members, present either personally or by proxy shall form a quorum.
- (c) Any ordinary resolution of the company determined without any general meeting and evidenced by writing under the hands of majority of the Directors and of the members of the company holding three - fourths of the issued shares of the company shall be valid and effectual as an ordinary resolution duly passed at a general meeting of the company.

6. DIRECTORS

- (a) Until otherwise determined by the company in General Meeting the Directors shall not be less than two and not more than seven in number.
- (b) The following persons shall be the first Directors of the company:-

1. **Mr. Kattungal Aliyar Ashraf**

2. **Mr. Jamshid Abdul Karim**

- 7. The shareholding qualification for Directors may be fixed by the company in General Meeting, and unless and until so fixed no qualification shall be required.
- 8. The quorum of Directors for transacting business shall, unless otherwise fixed by the Directors, be four.
- 9. A resolution in writing signed by all the Directors then in Tanzania shall be as valid and effectual as if it had been passed at a meeting of Directors duly called and constituted.
- 10. The Directors may from time to time borrow or raise any money for the purposes of the Company which may exceed the issued share capital of the company.

BORROWING POWERS

The Directors may from time to time in their discretion raise or borrow for the purpose of any Company's business such sum or sums of money as they think fit.

11. The Directors may secure the repayment of or raise any such sum or sums as aforesaid by mortgage or charge upon the whole or any part of the property and assets of the Company present or future including its uncalled capital for the time being, or by the issue at such price as they may think fit, of bonds or debentures either charged upon the whole or any part of the property and assets of the company or not so charged or in such other way as the Directors may think expedient.

VOTE OF MEMBERS

12. On a show of hands every member present in person shall have one vote. On a roll every member shall have one vote only for the shares of which he is holder.
13. No member shall be entitled to vote at any general meeting unless all calls or other sums presently by him in respect of shares in the Company have been paid.

DISQUALIFICATION OF DIRECTORS

14. The office of a Director shall be vacated if the Director;
 - (a) becomes bankrupt; or
 - (b) is found to be a lunatic or becomes of unsound mind; or
 - (c) resigns his office by notice in writing to the Company;
 - (d) abstains himself from meetings of the directors for a period of six months without special leave of absence from the other Directors.

S E A L

15. The Directors shall provide for the safe custody of the Seal. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and in the presence of at least two Directors or a Director and Secretary or other person as aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

ALTERNATE DIRECTORS

16. Any director shall have power to nominate any person to act or attend as alternate Director during his absence or during his inability so to act. Such Director shall be subject in all respects to the terms and conditions existing with reference to the other Directors and such Alternate Director shall exercise and discharge all the duties of Director whom he represents.
17. Unless otherwise decided by the Directors the quorum necessary to transact business of the Directors shall be two Directors personally present.

SECRETARY

18. The Secretary shall be appointed by the Board for such terms at such remuneration and upon such condition as it may think fit, and any Secretary so appointed may be removed by the Board.

WINDING UP

19. With the sanction of a special resolution of the shareholders any part of the assets of the Company including any shares in other Companies may be divided between the members of the Company in special or may be vested in Trustees for the benefit of such members and the liquidation of the company may be closed and the company dissolved but so that no member shall be compelled to accept any shares whereupon there is any liability.

ALTERATION OR ADDITION



20. Subject to the provisions of the Act and to those contained in the Memorandum of Association the Company may by Special Resolution make alteration or addition so made shall be as valid and effectual as if originally contained in those articles and be subject in like manner to alteration by Special Resolution.

INDEMNITY

21. Every Director, Managing Director, Agent, Auditor, Secretary and other Officer for the time being of the Company shall be indemnified out of the Assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or is in connection with any application in which relief is granted to him by the Court.

ARBITRATION

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

Mr. Kattungal Aliyar Ashraf Kattungal House, Kandanthara, Alapra P.O, Eranakulam, KERALA.INDIA.683553	7,500	
Mr. Jamshid Abdul Karim Mulangath House, Chowwara P.O, Aluva, Eranakulam, KERALA.INDIA.683571	2,500	

Dated this 10th Day of October 2011

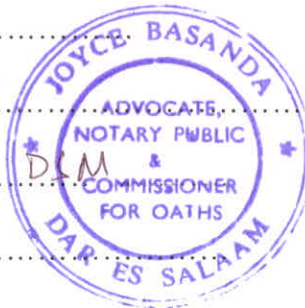
WITNESS to the above Signatures:

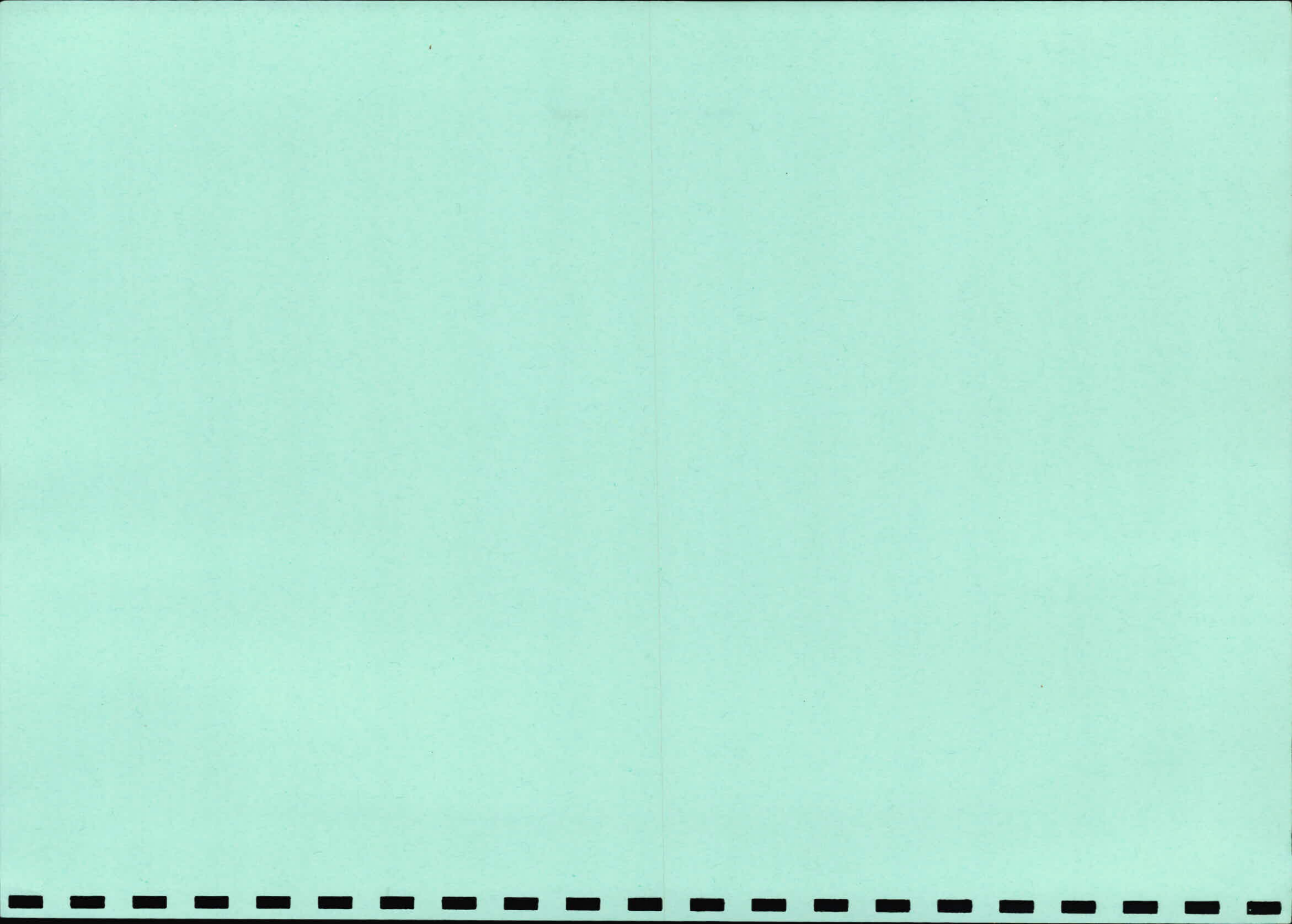
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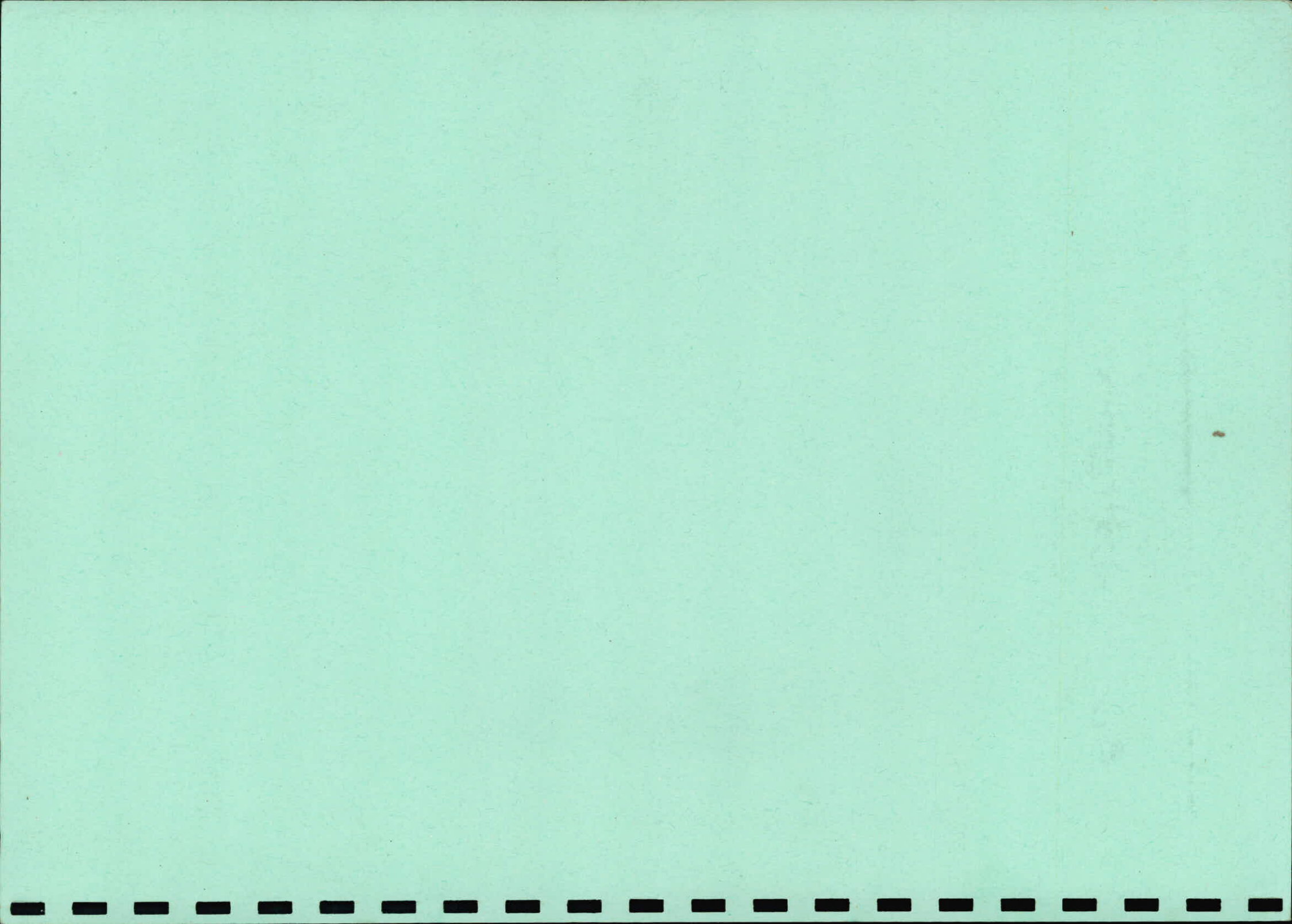
Signature: [Handwritten Signature]

Address: Box 15865

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ECOPHILIC COMPANY LIMITED

PROJECT FEASIBILITY REPORT

FOR

MANUFACTURING OF PLYWOOD AND MDF

OF HIGH QUALITY

**Presented for;
ECOPHIL CO LTD
DAR ES SALAAM
TANZANIA**



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1.0. SUMMARY

1.1 Project Concept

This project document presents a proposal by ECOPHILIC COMPANY LIMITED, a locally registered company with Certificate of Incorporation No. 86422 Dated 11th October, 2011 seeking to establish enhanced timber utilization project which will especially utilizing the locally available valuable abundant softwood and hardwood. In essence, the project will involve setting up plywood and MDF manufacturing factory .This factory will be fed by raw material acquired from authorized dealers in the country.

The project will adopt state of the art plywood and MDF manufacturing technology to be acquired from abroad. This feasibility study report lays down the financial and economic viability of the intended project.

1.2 Location

The headquarters of the project and the plywood and MDF manufacturing factory will be located at Plot no. -----, Mandela road Industrial Area, within Ilala Municipal. The premises will serve as both the head office , manufacturing and storage yard for both finished products and raw materials arriving from the countryside.

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

The major products will be:

- Plywood
- MDF
- Any timber related products

The project promoters expect to enter into export markets where they anticipate selling in our neighboring countries particularly and Asia markets in later stage.

1.3 The Sponsors

ECOPHILIC COMPANY LIMITED will be sponsoring this project.

The Company is jointly owned by the following shareholders.

NAMES, ADDRESS AND DESCRIPTIONS OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	PERCENT SHAREHOLDING
Mr. Kattungal Aliyar Ashraf Kattungal House, Kandanthara, Alapra P.O, Eranakulam, KERALA.INDIA.683553	7,500	75%
Mr. Jamshid Abdul Karim Mulangath House, Chowwara P.O, Aluva, Eranakulam, KERALA.INDIA.683571	2,500	25%

1.4 Project Management

ECOPHILIC COMPANY LIMITED will be under the Management of Mr. Kattungal Aliyar Ashraf who has experience managing various businesses in India.

Under his management, ECOPHILIC COMPANY LIMITED is expected to grow steadily from small to medium company producing high quality plywood, MDF and other timber related products serving domestic and international markets.

1.5 Raw Material Base

The plywood and MDF manufacturing project will strictly adhere to the timber utilization policy of the country's Forestry Department of the Ministry of Natural Resources and Tourism.

As stated above, the major supplying areas for this furniture manufacturing project have been identified as Iringa.

The major raw materials expected to be:

- Core Veneer-Made of Soft wood
- Face Veneer-Thinner texture compared to the former-made from Hard Wood
- Timber Waste-Remains of any timber processed activity
- Glue-locally manufactured

2.0. AN OVERVIEW TO THE FORESTRY INDUSTRY IN TANZANIA.

2.1 Forest Distribution:

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

Table 1: Forest distribution by area and cover type

Type	Area ('000 hectares)	Percentage
Closed forests	1,400	4.18
Mangroves	115	0.34
Woodlands	31,985	95.48
Total	33,500	100.00
Used of forest land		
Net productive area	23,755	78.04
Unproductive area	9,745	21.96

Total	33,500	100.00
Legal status		
Forest reserves	13,059	38.98
Forest/woodlands within parks	2,000	5.97
Public forest lands	18,441	55.05
Total	33,500	100.00

The Forestry and Beekeeping Division is responsible for administering a total of 13 million hectares of forest reserves and 20.2 million hectares forest resources in general lands. These forests contain many potential wood and non-wood products and a number of outstanding scenery sites.

2.2 Forest Plantations.

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

Table 2: Forest Plantations

SN	Plantation	Location	Major species	Area (Ha)	Estimated Allowable Cut (m ³)
1	Shume	Lushoto-Tanga	Pines, Cypress	3,388	54,209

2	Magamba	Lushoto- Tanga	Pines, Cypress, Cedar	523	8,368
3	Ukaguru	Kilosa, Morogoro	Pines	2,396	38,336
4	Rondo	Lindi	Teak, Pines	2,664	42,624
5	Matogoro	Songea, Ruvuma	Pines	1,764	28,224
6	Kawetire	Mbeya	Pines	1,764	28,224
7	Kiwira	Mbeya	Pines	2,627	42,032
8	Rubare	Kagera	Pines	285	
9	Rubya	Ukerewe, Mwanza	Pines	1,816	29,056
10	Buhindi	Mwanza	Pines	3,206	51,296
11	Meru	Arusha	Cypress, Pines, Eucalyptus	6,885	110,160
12	West Kilimanjaro	Pines, Cypress	Pines, Cypress	4,653	74,448
13	North Kilimanjaro	Kilimanjaro	Pines, Cypress	5,588	89,409
14	Longuza	Muheza, Tanga	Teak, Eucalyptus	40,529	648,464
15	Sao Hill	Mufindi, Iringa	Pines, Eucalyptus	40,529	648,464
16	Mtibwa	Turiani, Morogoro	Teak, Cedrela	1,773	28,369
	Total			80,508	1,288,128

2.3 Natural forests

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

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

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

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

2.4 Non- Wood Forest Products

The high biodiversity of Tanzania's natural forests offers a wide range of non-wood products such as Gum arabic from *Acacia Senegal*. The natural forests have many plants, which can produce dyes the forests have many useful medicinal plants such as *Balanites aegyptiaca*, *Azadiradita indica* etc. The forests are a source of food. They harbour

numerous species of mushrooms that have high nutrition value. Mushrooms have a very good domestic market.

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

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

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

Eco-tourism

The natural forests in Tanzania have a variety of scenic areas which are suitable for eco tourism and development of recreational sites. Some of the sites are in mountain rain forests, Coastal and riverine forests. Investors could develop recreational facilities such as lodges and hotels in exclusive natural environments.

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

Sale of plants

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

2.5 Trading conditions and license procedures for forest products.

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

2.6 Trade in wood and wood products within the country

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

transit pass, which allows them to move the products from the forest to the market.

2.7 Trade in wood and wood products outside the country.

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

Complete export forms and attach the following documents;

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

2.8 Incentives for Investors in Forestry Sector:

(a) Monetary incentives

- Corporate tax 30%
- Custom duty on capital goods 0%
- Value Added Tax on capital goods 0%
- Capital allowance deduction in the 50%
Years of income
- Withholding tax on dividends 10%
- Withholding tax on interest 0%
- Free repatriation of earned income, profits and dividend

(b) Immigration quotas

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

3.0. PROJECT'S INVESTMENT CAPITAL INVESTMENT

The estimated capital investment cost of the project is US\$1,050,000 out of which US\$ 870,000 will be fixed investment costs. Pre-production expenditures have been budgeted at US\$ 45,000; other cost will be US\$5,000, while capital is put at US\$ 130,000.

ECOPHILIC PROJECTED COST STRUCTURE

PARTICULAR	AMOUNT USD
Land and Buildings	300,000
Machinery & Equipment	300,000
Motor Vehicles	250,000
Furniture & Fixtures	20,000
Pre expenditure	45,000
Others	5,000
Working Capital	130,000
TOTAL	1,050,000

3.1 Land and Building

Head Office Iringa region

The headquarters of the project and manufacturing factory will be located at Plot No. ----, Mandela Road Industrial Area, within Ilala Municipal. This will serve for both office accommodation and storage yard for raw materials as well as finished products.

The company intends to construct structure for plywood, MDF and other timber related products manufacturing building for timber processing, preferably timber sheds for housing of machinery and sawmills. Sheds are necessary to ensure that production is not interrupted changes caused by weather conditions etc. there will also be construction of site offices, timber warehousing, workshops and timber houses.

The company has budgeted for US\$ 300,000 for refurbishment, partitioning and construction of new civil works structures in this plot.

3.2 Plant, Machinery and Equipment

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

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

- Band Saw
- Re Saw
- Rib Saw

- Clipper
- Face Peeler
- Veneer Peeler
- Boiler
- 3Deek 6Section Dryer
- Glue Maker
- Glue Mixer and Spreader
- Hot press
- Cutter
- Scissor lift
- Generator
- Volk lift
- Trucks
- Pick up
- Welding machines etc

The company will procure various mill tools, workshop tools etc for proper care and maintenance of mill equipment and machinery. Mill tools will include items like timber logs, lifting hooks, strapping tools and moisture meters. Workshop tools will be comprised of items like maintenance I repair kits, grease guns, ratchets, wrenches, and pliers. Other items include screw drivers, toolboxes, vices, pressure pumps, oils and lubricants.

A total of US\$300,000 has been budgeted for machinery and equipment during project construction.

3.3 Motor Vehicles

Three (3) units Light Truck will be required for the haulage of timber from forest or other sources to the factory. One (1) unit of 4WD Pick

Up has been budgeted for supervision, and (1) unit minibus for transportation of factory staff. Total estimated cost for this item is put at US\$ 250.000

3.4 Pre-operation Expenses and other

This item includes items like investment studies, preparatory investigations, company formation and legal fees, initial recruitment and training of technical staff and miscellaneous pre-operation payments. The amount of US\$ 45,000 is considered sufficient for this category and other cost is estimated to be US\$ 5,000

3.5 Project Financing Plan

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

Source/Type of financing	Foreign US\$
Equity (100%)	1,050,000

4.0. MARKETING ASPECTS

4.1 The Products

The main products of the proposed project consist of a

- Plywood
- MDF
- Sawn timber
- Any timber related products

4.2 The Markets

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

4.3 Supply Position

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

4.4 Competition

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

4.5 Distribution

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

4.6 Promotion

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

5.0. MANAGEMENT AND MANPOWER REQUIREMENTS

5.1 Management

A Board of Directors will closely supervise the proposed project as it has been mentioned above, Mr. Kattungal Aliyar Ashraf, one of the two directors and shareholders will be directly managing the project.

The Managing Director will be assisted by properly trained managers in areas of Sales and Marketing, Finance and Administration and Production, who will together comprise the management team.

5.2 Manpower Requirements.

The management team will be supported by a team of **30** local permanent staff in various capacities. Casual labourers will also be employed on a daily or weekly payment basis.

6.0. ASPECTS OF PROJECT SUSTAINABILITY

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

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

7.0. FINANCIAL ANALYSIS

7.1 Considerations and Assumptions:

Taxation and Depreciation

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

Production and Revenue Assumptions

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

7.2 Financial Statements:

7.3 Project Profit and Loss Account

For projection purposes, it is assumed that the economic life of the project is five years, and that production of the different types of products commence from the first year of operation, project profit grow from **US\$563,395** in the first year to **US\$ 648,109** in fifth year of operation

1st Year US\$ 563,395

2nd Year US\$631,571

3rd Year US\$640,608

4th Year US\$ 642,740

5th Year US\$ 648,109

For the detail refer appendix iV

7.4 Projected Cash Flows

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

1st Year US\$1,315,818

2nd Year US\$2,646,017

3rd Year US\$3,974,467

4th Year US\$5,307,455

5th Year US\$6,686,521

For the detail refer appendix v

7.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from **US\$ 1,613,395** in the first year of operation to **US\$ 1,698,100** in the 5th year.

1 th Year	US\$ 1,613,395
2 nd Year	US\$ 1,681,571
3 rd Year	US\$ 1,690,608
4 th Year	US\$ 1,692,740
5 th Year	US\$ 1,698,100

For the detail refer appendix vii

7.5 Projected pay back period

Total investment is **US\$1,050,000** cash accumulation in year 2 is **US\$1,386,464** which is more than the initial investment by **US\$ 336,464** the project payback Period is almost 2year,

The project has a relatively short payback period. It is remarkably impressing for a manufacturing project being recovered in 1 year, for the details refer appendix VIII

8.0. ECONOMIC ASPECTS

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

- Processing of wood products particularly manufacturing of furniture will greatly add value to wood products. At present most of wood products are mainly exported in the form of logs and timber.
- The project will involve transfer of technology in plywood and MDF manufacturing.

- The project will create employment for 30 people on permanent contract basis as well as on temporary basis.
- It will create more business opportunities to local suppliers of timber and logs, which will also have a trickledown effect in the timber sub sector and related forestry industries.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and royalties.
- The project will earn substantial amounts of foreign exchange.

9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction will take approximately 6 months:-

	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	October 2011
2	Funds Mobilization	October-December 2011
3	Site construction	January-February 2012
4	Ordering of plant and machineries and Vehicles	March 2012
5	Arrival of Plant, Machinery and Vehicles	May 2012
6	Commercial Operations	June 2012

10. CONCLUSION AND RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently. It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.

Appendix (i)

ECOPHILIC CO LTD COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	300,000.00
Machinery & Equipment	300,000.00
Motor Vehicles	250,000.00
Furniture & Fittings	20,000.00
Pre exp	45,000.00
Others	5,000.00
Working Capital	130,000.00
TOTAL	1,050,000.00

Appendix (ii)

ECOPHILIC CO LTD SUMMARY OF REVENUE " US\$"

	US \$ 2011	US\$ 2012	US\$ 2013	US\$ 2014	US\$	2015
Sales Revenue	1,660,800.00	1,760,800.00	1,779,805.00	1,785,901.00		1,795,000.00

Appendix (iii)

ECOPHILIC CO LTD FIXED ASSETS SCHEDULE

NAME OF ASSETS	2011 USD	2012 USD	2013 USD	2014 USD	2015 USD
Land And Buildings	300,000	270,000	240,000	210,000	180,000
Machinery, Tools & Equipment	300,000	270,000	240,000	210,000	180,000
Motor Vehicles	250,000	225,000	200,000	175,000	150,000
Furniture & Fixtures	20,000	18,000	16,000	14,000	12,000
Total	870,000	783,000	696,000	609,000	522,000
DEPRECIATION	2011 USD	2012 USD	2013 USD	2014 USD	2015USD
Land and buildings	30,000	30,000	30,000	30,000	30,000
Machinery tools & Equipment	30,000	30,000	30,000	30,000	30,000
Motor Vehicles	25,000	25,000	25,000	25,000	25,000
Furniture & Fixtures	2,000	20,000	20,000	20,000	20,000
ANNUAL DEPRECIATION	87,000	105,000	105,000	105,000	105,000
CLOSING FIXED ASSETS	783,000	678,000	591,000	504,000	417,000

Appendix (IV)

**ECOPHILIC CO LTD LIMITED PROJECTED INCOME &
EXPENDITURE STATEMENT**

	US \$ 2011	US\$ 2012	US\$ 2013	US\$ 2014	US\$ 2015
Sales Revenue	1,660,800.00	1,760,800.00	1,779,805.00	1,785,901.00	1,795,000.00
Cost of Sales	490,000.00	492,000.00	497,000.00	499,500.00	499,900.00
Gross Profit	1,170,800.00	1,268,800.00	1,282,805.00	1,286,401.00	1,295,100.00
Operating Expenses:					
Administrative Expenses	7,400.00	7,505.00	8,500.00	9,000.00	10,000.00
Motor vehicle running expenses	30,000.00	30,000.00	30,000.00	30,000.00	30,000.00
Salaries and Wages	108,000.00	108,000.00	108,000.00	108,000.00	108,000.00
Donation	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Depreciation	87,000.00	87,000.00	87,000.00	87,000.00	87,000.00
Maintenance cost	25,000.00	25,000.00	25,000.00	25,000.00	25,000.00
Marketing Costs	11,500.00	11,500.00	11,500.00	11,500.00	11,500.00
Utility costs	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Insurance	5,250.00	5,250.00	5,250.00	5,250.00	5,250.00
Communication	8,500.00	9,000.00	9,100.00	9,150.00	9,180.00
Pension Contribution	10,800.00	10,800.00	10,800.00	10,800.00	10,800.00
Total Expenses	353,450.00	354,055.00	355,150.00	355,700.00	356,730.00
Profit before tax	817,350.00	914,745.00	927,655.00	930,701.00	938,370.00
Tax (30%)	245,205.00	274,423.50	278,296.50	279,210.30	281,511.00
Profit After Tax	572,145.00	640,321.50	649,358.50	651,490.70	656,859.00

Appendix (v)

ECOPHILIC CO LTD LIMITED PROJECTED CASH FLOW US\$

	2011	2012	2013	2014	2015
CASH FLOW FROM OPERATIONS:					
Rental Income	1,625,100.00	1,635,050.00	1,643,805.00	1,649,651.00	1,693,700.00
VAT Receipt	292,518.00	294,309.00	295,885.00	296,937.00	304,866.00
Subtotal cash Received	1,917,618.00	1,929,359.00	1,939,690.00	1,946,588.00	1,998,566.00
Expenditures from Operations:					
Purchases	510,000.00	512,000.00	518,000.00	520,000.00	525,000.00
VAT Payments	91,800.00	92,160.00	93,240.00	93,600.00	94,500.00
Subtotal Cash Payment	601,800.00	604,160.00	611,240.00	613,600.00	619,500.00
CASH FLOW FROM OPERATIONS:	1,315,818.00	1,325,199.00	1,328,450.00	1,332,988.00	1,379,066.00
CASH FLOW FROM INVESTMENTS:					
Purchase of Assets	(870,000.00)				
Working Capital and pre-expenses	(180,000.00)				
CASH FLOW FROM INVESTMENTS:	(1,050,000.00)				
CASH FLOW FROM FINANCING:					
Loan	-				
Owners Equity Contribution	1,050,000.00				
CASH FLOW FROM FINANCING:	1,050,000.00				
NET CASH FLOW FOR PERIOD	1,315,818.00	1,325,199.00	2,646,017.00	5,292,034.00	10,584,064.00
CASH FLOW START OF YEAR	-	1,320,818.00	2,646,017.00	5,292,034.00	10,584,068.00
CASH FLOW AT THE END OF YEAR	1,315,818.00	2,646,017.00	5,292,034.00	10,584,068.00	21,168,132.00

ECOPHILIC LIMITED PROJECTED BALANCE SHEET US \$

	2011	2012	2013	2014	2015
<u>Fixed Assets</u>					
Long-term Assets	870,000	783,000	696,000	609,000	522,000
Depreciation	87,000	87,000	87,000	87,000	87,000
Total Long-term Assets	783,000	696,000	609,000	522,000	435,000
<u>Current Assets</u>					
Cash	718,765	1,137,163	1,560,725	1,985,505	2,413,353
Accounts Receivable	12,500	12,345	14,500	14,624	13,430
Total Current Assets	731,265	1,149,508	1,575,225	2,000,129	2,426,783
Total Assets	1,514,265	1,845,508	2,184,225	2,522,129	2,861,783
<u>Current Liabilities</u>					
Accounts Payable	23,120	22,345	21,350	22,560	20,150
Other Current Liabilities	0	0	0	0	0
Subtotal Current Liabilities	23,120	22,345	21,350	22,560	20,150
<u>Long-term Liabilities</u>					
Long-term Liabilities	0	0	0	0	0
Total Liabilities	23,120	22,345	21,350	22,560	20,150
Net Assets	1,491,145	1,823,163	2,162,875	2,499,569	2,841,633
<u>Capital and Reserves</u>					
Owners Contribution	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Retained Earnings	563,395	631,571	640,608	642,740	648,109
Total Capital	1,613,395	1,681,571	1,690,608	1,692,740	1,698,109

Appendix (viii)

PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulative Cash Flow
2011	572,143.00	87,000.00	659,143.00	659,143.00
2012	640,321.00	87,000.00	727,321.00	1,386,464.00
2013	649,358.00	87,000.00	736,358.00	2,122,822.00
2014	651,490.00	87,000.00	738,490.00	2,861,312.00
2015	656,859.00	87,000.00	743,859.00	3,605,171.00

Initial Fixed Investment and Working capital for Expansion= USD 1,050,000
From above table, payback period is calculated within two years