

MINUTE SHEET

1.0

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 1.525m

(b) Legal entity has been incorporated under certificate

No. 84773 of 26/07/2011

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.



Glory Bildard

Ag. DIF

27th December, 2011

2.0

Ag. EXD

In response to the TIC letter of registration dated 27/12/2011

The project has submitted the required documents namely:-

(a) Company Board Resolution

(b) Reference letter/Financing from..... Diamond Trust Bank

(c) Lease Agreement

With the above submission EXD is requested to sign Certificate of Incentives No. 042142 herein attached.



As DIF

23/05/2011

MINUTE SHEET

Dokezo
No.

DECEMBER 31,2010 Strictly Confidential

SOKOMBAO INDUSTRIES LTD.

Business Plan



Sokombao Industries Ltd.

Kinyanambo Industrial Area, Mafinga, Tanzania.

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SOKOMBAO INDUSTRIES LTD.

Business Plan

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Basic Information

SOKOMBAO INDUSTRIES LTD.

Legal name and status of business:	Sokombao Industries Ltd.
Directors/partners/proprietor	Bernard Babu, Amin, Samash, Hanif
Address of main office:	Kinyanambo Industrial Park, Mafinga
Addresses of other offices:	Tukuyu ,Mbeya, Tunduma, Morogoro, Dar, Arusha.
Address of registered office:	P.O.Box 285 Mafinga.
Main telephone:	+255 687 999300
Main fax:	
Main e-mail	steel@oryxea.com
Website:	www.timberprod.com
Name and address of parent company:	MINI GROUP
Business incorporation/registration date:	
Business incorporation/registration number:	
Business tax reference number(s):	
Main shareholders:	B. Babu, Harwood Mauritius, Mini Group
Stock market & symbol	
Professional Advisers:	
- Auditors	
- Legal advisers	
- Bankers	Diamond Trust Bank Ltd.
- Patent (IPR) attorneys	
- Financial/tax advisers	

1. Introduction to Plan

This business plan is about Sokombao Industries, a limited liability company, established in 2011 in the Republic of Tanzania and is engaged in production and distribution of timber and timber products in the COMESA region and outside the continent.

The purpose for this plan is to help the management:

1. Raise USD 650,000.00 in loans, equity and cash from operations of existing trial business.
2. Focus on the business plan as a yardstick to achieve stated goals and objectives.
3. Use the plan as a handbook for management and engine for growth.

The plan was compiled by management team lead by Mr. Babu in consultation with Chairman Amin, Mr. Sujit, Mr. Shriram and Mr. Hanif and reviewed by consultant, Mr. Ochieng.

It is a compilation of facts and experiences spanning 12 months of extensive research and practice in the region.

The plan is laid as follows:

- Section 2 below contains a summary of the plan
- Sections 3, 4 and 5 review the background, development of the business, and current product service/offerings respectively.
- Sections 6 and 7 details profiles of target markets and strategies, sales plans and projections that forms cornerstone for the market.
- Section 8 introduces technology, research and development and gives insight as how the management intends to run Sokombao on basis of data based management (6 sigma processes) to distinguish from the rest of the pack.
- Section 9 and 10 gives base for operational plans and management and administration respectively.
- Section 11 is the home for financial projections that Sokombao's research team tied in real data and took middle ground in estimation taking into consideration seasonal index.
- Sections 12 and 13 is all about funding and project implementation
- Appendices follows immediately after sections 12 and 13 and details key financial data, assumptions, production brief and related documents.

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2. Summary of Plan

Mission, Key Strategies & Goals

One sunny afternoon, a Chinese Contractor asked Mr. Babu to add to his supply list, timber. Mr. Babu took the challenge head on and within two days delivered a truck load of pine at 5% margin. Mr. Babu was then chief supplier of ballast, sand and building stones. The timber orders increased and this drove Mr. Babu to source directly from there and improve the bottom line. Later, the same contractor on another project gave Babu an order to supply 17,000 flush doors and 5,000 solid wooden doors. Incidentally there was only one plant in the entire East Africa region that could supply the order at extended project time. This necessity created Sokombao Industries Ltd. to try and fill in this great divide between demand and supply.

Sokombao mission is to supply timber products and produce world class doors at competitive price and timely manner for construction projects.

The key strategy for the company will be to put up an automated 2 pass panel doors together with hollow flush door line employing latest technology to deliver quality and quantities needed at the right time for customers.

The company intends to achieve 5,000 and 10,000 solid and flush doors respectively monthly.

Sokombao also intend to push about 1,000 cubic meters of sawn timber into the market.

The company in

Present Status

Sokombao's sister company is already selling about 500 cubic meters of timber monthly into the market. Sokombao is in the process of acquiring a 15 acres plot in Mafinga to put the plant. The directors have travelled into China, Korea and Europe to shop for the right machinery mix to achieve the stated goals and objectives. Further, prime movers have been dedicated for transportation of materials and finished products in the new outfit.

Benefits to Tanzania

The company intends to harvest mature soft woods, pine and cypress and plant more trees for sustainability.

Within five years of operations, the company is projected to earn the country about USD 5million in export of valued added products.

About 150 people will be directly employed on permanent basis, 200 on temporary basis and 1000 indirectly by the plant, thereby creating much needed employment and enabling the country improve on her taxation base.

Proposed Offerings

Sokombao will offer solid panels doors made from hardwood and flush doors made mainly from pine and other imported laminates. In addition, treated and untreated soft and hardwoods will be a major product churned out by the company.

Proposed Markets

Initially the company will concentrate in the Comesa market and later move into other markets in the world.

Sokombao will concentrate her marketing efforts to constructors, developers and architects designing middle and large projects and big distributors.

Marketing & Sales Plans

- Direct constructors, architects and developers marketing management.
- Attending and exhibiting in expos for construction and development industries.
- Advertising will become a hall mark for sales and marketing.
- Home owners
- Timber stockiest
- Hardware shops & supermarkets

Operational & R&D Plans

With a 2 pass panel doors plant and a flush door line capable of churning out up to 300 and 500 doors a day respectively with low manpower levels, Sokombao will reengineer quality, cost and improve processes at a level not seen in the region. The research team will not be concerned with researching on new designs but will be mandated to research on processes for optimization of the designs.

Management

Sokombao will from the beginning move "out of the box" and employ SIX SIGMA management process built on a foundation of management based on data and solutions using proven scientific methods being deployed by world best corporations. This will emphasize boundary less management systems and right people being recruited for right positions within the organization. ISO standardization to be achieved within 2 years of operation in pursuit of world class products.

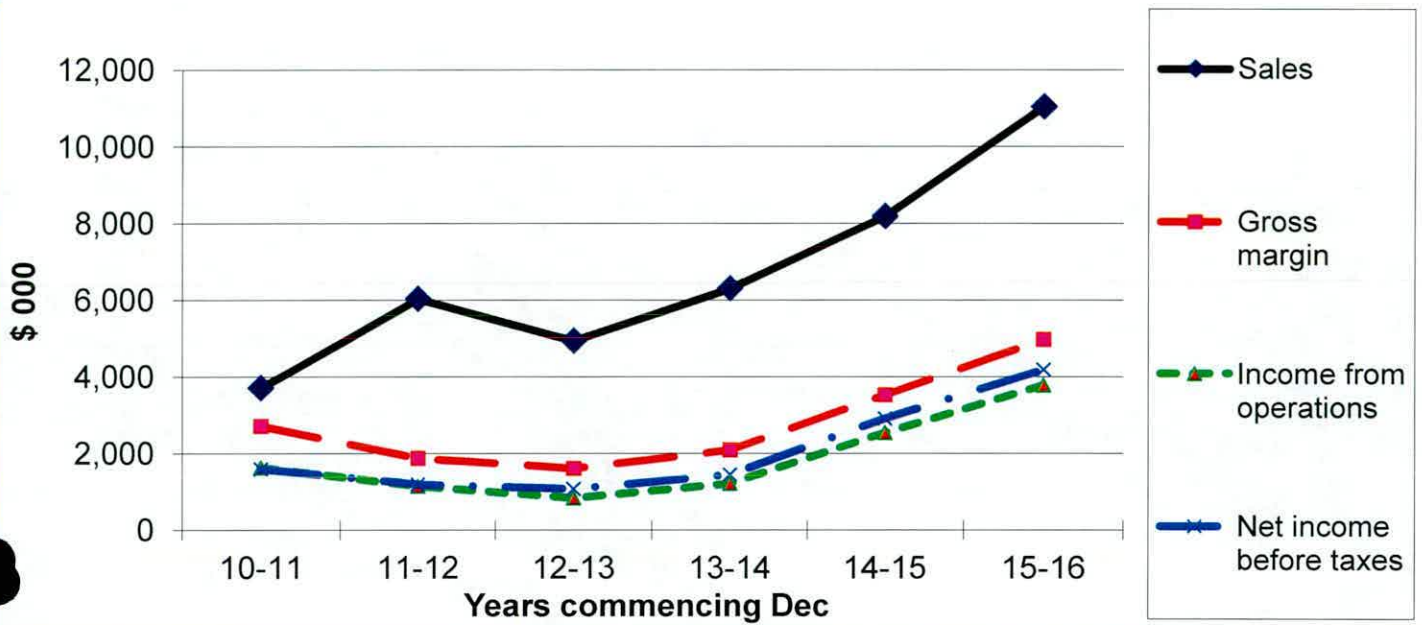
Financial Projections

The following table summarizes the projected trading performance:

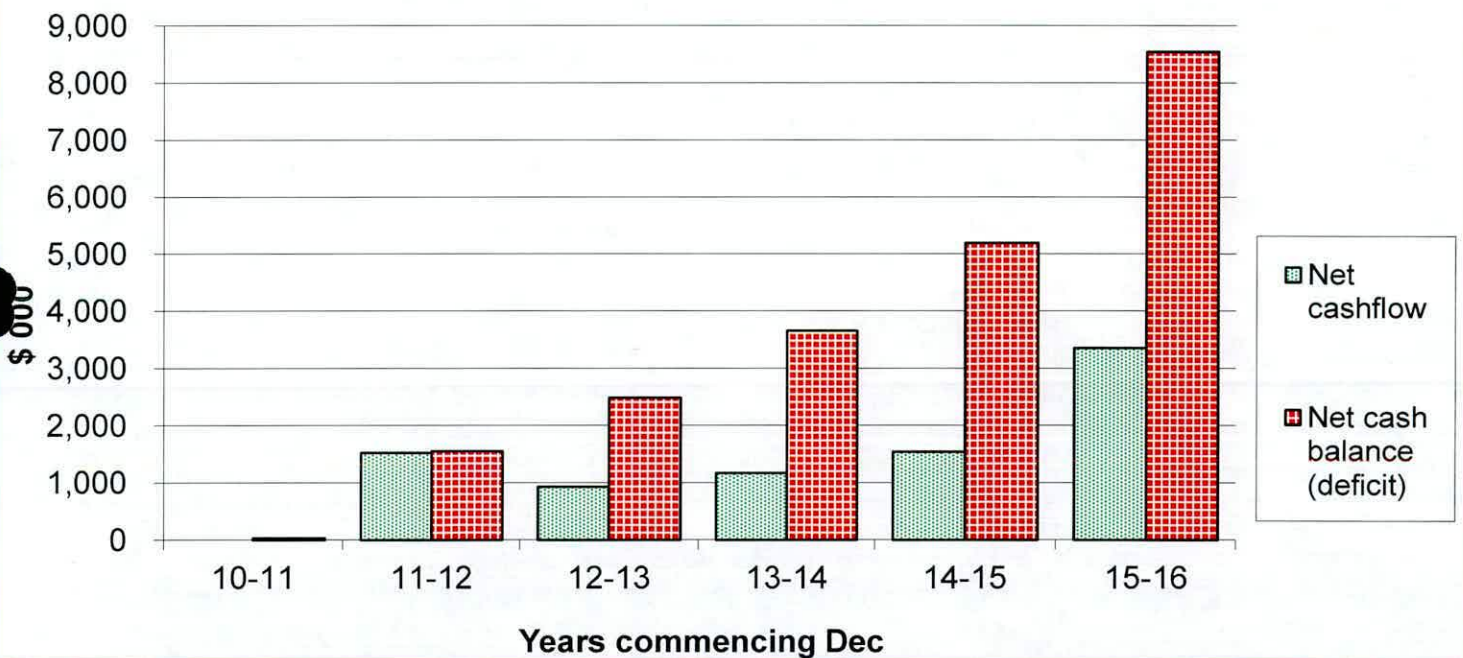
Years to end Nov	10-11	11-12	12-13	13-14	14-15	15-16
	Act/Est	Proj	Proj	Proj	Proj	Proj
	\$000	\$000	\$000	\$000	\$000	\$000
Sales	3,700	6,024	4,932	6,290	8,177	11,039
Cost of sales	<u>1,000</u>	<u>4,163</u>	<u>3,341</u>	<u>4,224</u>	<u>4,661</u>	<u>6,071</u>
Gross margin	2,700	1,861	1,591	2,066	3,516	4,968
Total operating expenses	<u>1,090</u>	<u>738</u>	<u>774</u>	<u>878</u>	<u>1,000</u>	<u>1,206</u>
Income from operations	1,610	1,123	817	1,188	2,516	3,762
Other income, interest expense etc.	<u>-35</u>	<u>48</u>	<u>239</u>	<u>237</u>	<u>370</u>	<u>411</u>
Net income before taxes	1,575	1,171	1,057	1,424	2,886	4,172
Taxes	<u>551</u>	<u>410</u>	<u>74</u>	<u>114</u>	<u>231</u>	<u>334</u>
Net income	1,024	761	983	1,310	2,655	3,838
Dividends declared	<u>300</u>			<u>125</u>	<u>150</u>	<u>140</u>
Transferred to reserves	724	761	983	1,185	2,505	3,698

Following tables shows summary of projected income and cash flow.

Sokombao Industries Ltd. Fig. 15 - Sales & Income



Sokombao Industries Ltd. Fig. 16 - Cash flow



Funding Proposals

Sokombao is already in the process of acquiring a 15 acres land in Mafinga from proceeds of timber trade.

hert, the funding proposals will be as follows:

New equity:	USD 300,000
Loans:	USD 200,000
Cash flow from existing activities:	USD 150,000
Total funding requirement, 1st year:	USD 650,000

Conclusion

Sokombao will be a profitable business with returns on investment being realized within 3 years.

Timber and timber products business is very profitable business requiring low- medium level per capita investments, with high returns.

3. Mission, Strategies and Sales Plans

3.1. Vision

Wood and Wood products occupies centre stage of housing industries since the Roman Kingdom and the appetite for the same will not fade in our time. The scarcity of timber and environmental concerns has led the price of timber and its derivatives to sky rocket. Sokombao's vision is to harness and balance the delicate relationship between forests and the end products by heavily funding re-forestation for benefit of mother earth and her people. Sokombao will be a regional and a world class company within 4- 6 years and adhering to 6 sigma processes.

3.2. Mission

The central purpose and role of Sokombao Industries Ltd. is defined as:

- To supply high quality and mature timber and to produce world class doors and accessories at the most competitive costs. Sokombao will be very competitive by introducing a high volume automatic door production plants in the region. Constructors and developers who used to wait for long time to have the doors manufactured or take 90 days for imports to arrive, will now have all their doors delivered within a week and at exact specifications. Sokombao will move to create a particle board manufacturing plant at the source of timber to help slow down trees exploitation and give the planted ones enough time to mature enhancing the environment and acting as carbon trade facility.

3.3. Values

Sokombao will be a great friend to the environment and the species therein.

The company will treat her workers as one big extended family where staff will be treated extremely well, motivated and remunerated above industry standards.

The company will always give back to the community by dedicating a percentage of its profit after every year to community programs.

3.4. Objectives

Longer term business objectives of Sokombao Industries Ltd. are summarized as:

- Sokombao intends to achieve maximum returns to its shareholders within 3years and to grow to an integrated one stop shop for construction solutions. The company intends to invest heavily on ICT to bring main clients online to submit their orders, designs and also to follow up their productions, scheduling and shipment of the finished products.
- The company intends to be ISO and six sigma certified within the period. On the environmental front, trees will be growing in the source areas planted by the company.

3.5. SWOTs

Internal	External
<p>Strengths:</p> <ul style="list-style-type: none"> • Deep and Competitive Sourcing of Raw Materials. Infrastructure already in place and running with shipment of about 30 trucks ongoing. • Strong Financial Back Up. • Strong Relationship with Key Clients • Good partnership with treatment plants. • Strong hands on Managers for operations and management which emanates from construction industry set up. • Own go downs, Base transportation and warehousing • Have already invested in base timber sawing machineries. 	<p>Opportunities:</p> <ul style="list-style-type: none"> • Accelerated growth in Construction Industries • Demand of housing outstrips supply by almost 5 to 1 • Massive planned developments such Tatu City, ICT City, Eldoret City. Upcoming New Dar Es Salaam. • Export to Middle East and duty free to the USA under AGOA. • Synergy in development with the already established sister company as automatic in house client. Four large housing developments by the sister company slated for 2011 • Devolution into counties under the new constitution will create rapid town centres developments and hence need for increased consumption of raw materials. • Dar City is now experiencing high rate of development in office buildings and apartments.
<p>Weaknesses:</p> <ul style="list-style-type: none"> • Been in the business for less than six months. • Over concentrating on a handful of clients at the moment • Lack of trained low level personnel to handle the work. • Is yet to invest downstream for quality control of raw materials. • Need to set up own treatment facilities at the source or at the warehouse because of double charge of offloading and reloading and extra charge on transportation. • Set up not complete. 	<p>Threats:</p> <ul style="list-style-type: none"> • Ban on importation of timber products • Collapse of East Africa Community • Increased competition • Scarcity of certain timber • Increased Government Levies and Taxes • Increased Importation of substandard products from Far East and Tax Evasions. • High cost of transportation and access to cross boarder transportation. • High level of automation in China and the dumping of cheap exports by CHINA.

3.6. Strategies

The following critical strategies will be pursued by Sokombao.:

1. Put up a solid pane 2 pass door plant.
2. Put up a solid and hollow flush door plant
3. The plant for flush door will also produce block boards.
4. Put up a saw mill at source.
5. Have at least two 34MT prime movers
6. Put up a show room in Mafinga, Morogoro, Dar, Arusha, Mwanza, Nairobi and Mombasa.
7. Employ good craftsmen
8. Supply atleast 10 lorries monthly of sawn timber into the market
9. Takeover or invest in a treatment plant.

The following important strategies will also be followed:

1. Diversify in melamine coated particle board manufacturing.
2. Get involve with community work at the source.
3. Take sizeable door business from competition.
4. Set up a good ICT department
5. Diversify into office and kitchen furniture making by acquiring existing business and supplying raw materials to the factory.
6. Create nurseries for seedlings.
7. Enter into producing panels for putting timber houses for exports to South Sudan and to supply to contractors locally..
8. Create systems for participating in Government and counties business

3.7. Goals/Targets

The following key targets will be achieved by Sokombao Industries Ltd. over the next 3-4 years:

- Achieve sales volume of 5,000 solid and 10,000 flush doors monthly to constructors and home owners.
- Achieve about 2000 cubic metres of timber sales into the market monthly.
- Achieve about 200 cubic metres of fascia boards and skirting to constructors, monthly.
- Produce about 3,000 pieces of 8 x 4 block boards monthly for diverse market.
- Achieve importation and distribution of 500 cubic metres of melamine coated particle boards monthly.
- In five years produce and supply 2,000 cubic metres of melamine coated particle boards in the regional market.
- Push export market for sawn timber into Middle East and India sub- continent to about 6,000 annually. Enquiries are already coming in.

4. Present Status

4.1. Background

Sokombao is being set up against a real background of forward integration. The promoters have been intensively supplying major construction sites including the largest housing complex with materials ranging from vacuum impregnated-treated timber, machine cut stones, steel, sand, ballast, medium density boards, melamine coated particles boards and both solid and flush doors. Doors that is our subject matter, have brought a lot of stress to the promoters as they always lagged behind in meeting demands of their clients because of subcontracting production to so many workshops, but due to lack of automation, only very small quantities could be achieved at a given time. At the moment, only one competitor can manage to certain extent, large orders. **These frustrations and loss of business gave birth to Sokombao Industries Ltd.**

4.2. Progress to Date

The promoters are at the moment importing and supplying sawn timber and making solid doors in Tanzania. The order book for these products is getting fatter by the day.

The raw materials source for the upcoming plant has been sorted out by building a strong infrastructure and logistics base in Tanzania that will support the plant to be put up in Mafinga Tanzania.

Mafinga is an industrial town in nucleus of the largest pine forest in East Africa.

Sokombao also has some concessions of Hardwood in Democratic Republic of Congo.

Already, a foreign client has blasted a possibility of 1,000 M3 monthly export orders with timber mainly from Zambia, Malawi, Mozambique and DRC.

4.2.1. Sales & Marketing

Years to end 12Month:	2012 (\$000)	2013 (\$000)	2014 (\$000)	2015 (\$000)
Cypress VIMP Rough	2,035	1,668.7	2,128.1	2,766.53
Solid Doors- Cypress	1,435	1,176.7	1,500.6	1,950.8
Flush Doors	1,224.2	1,003.84	1,280.2	1,664.3
Pine Rough	1,330.0	1,090.60	1,390.8	1,808
Total sales	6,024.2	4,932	6,290	8,177
Growth rate (per year)	N/a	-18%	27.53%	30%

4.2.2. Operations & Management

Mr. Amin Manji

Astute regional industrialist and executive chairman of Minigroup with industries spanning Kenya and Tanzania. Real figure in manufacturing of consumer products and real estate developer.

Experience, over 30 years in starting and managing industrial plants.

Mr. Bernard Babu

Together with Mr. Amin started importing timber from Tanzania into Kenya. Babu is a trader that has developed multi million dollars business in the region.

Experience, 20 years.

Mr. Hannif

Operations specialist with over 20 years in manufacturing and construction industries.

Mr. Sanjay Mane

Finance giant of Minigroup operations in Tanzania, spanning Arusha, Moshi and Dar Es Salaam

Mr. Sanjay Mane

With over 10 years running large manufacturing outfits, Sanjay will be the finance pivot in the organization.

4.2.3. R&D

Sokombao will have a small but effective Research and Development Team to work mainly in new designs and new materials to give the company an edge as innovator and market leader in designs, materials and associated technologies. The Research team will also be mandated to research on PROCESS IMPROVEMENT, PROCESS ENGINEERING/RE-ENGINEERING and PROCESS MANAGEMENT using industry standard, SIX SIGMA to discover defects and reduce them to near zero in line with customers' requirements and satisfaction. SIX SIGMA will be adopted from the beginning to provide management with modern tools and enhance DATA BASED MANAGEMENT in the organization.

Project	Date Started	Projected Finish Date	% Completed	Main Resources	Expenditure to Date (\$000)
Material Quality	Dec 2011	Feb 2011		To be decided	
Designs	Jan 2012	Ongoing		To be decided	
Production Defects	Jul 2012	Dec 2012		To be decided	

4.2.4. Finances

Sokombao has been selling sawn timber for almost 7 months now. This exercise was undertaken mainly to develop downstream sourcing of timber in readiness for a plant construction to convert timber to value added products for the construction industry. The figures that have originated from the operations show a strong indication that Sokombao Industries Ltd., once constructed and fully running will comfortably fulfill its mandate. From bare 1 truck a month, sales have increased to 4 and now orders are steaming to 10 trucks a month with a gross turnover of over USD150,000.00.

4.2.5. Other Developments

The operation has invested in timber harvesting and sawing equipment which is in operation once a forest is identified and bought. This has given the company necessary experience and will act as a cornerstone for feedstock..

Sokombao has identified industrial land in Mafinga and is in the process of acquiring it.

5. Product/Service Descriptions

5.1. General Descriptions

Our product is essentially made with four main components.

1. Sawn Timber, Cypress, Pine and other hardwoods such as Muninga, Pilipili, Mvuli, Mkangazi and Mahogany.

The timber will be sourced mainly from Tanzania and surrounding countries such as Zambia, Malawi and DRC and hence the putting up of a mobile saw mill in Mbeya or Mafinga in Tanzania.

2. Solid panel or doors from Cypress, Mahogany, Muninga, Pilipili. The door frames, fascia board, skirting, stairs and rail timber will fall in this category.
3. Flush doors to be made principally from soft wood (plywood) and others from hard wood skins ripped by saw. The frames and inserts together with bidding will be determined by the buyer when placing orders.
4. Block Boards to be made from Flush Doors Plant.
5. We will start by importing laminates from China and Korea before we start manufacturing our own.

Our product is essentially made with four main components.

1. Sawn Timber, Cypress, Pine and other hardwoods such as Muninga, Pilipili and Mahogany.

The timber will be sourced mainly from Tanzania and surrounding countries such as Zambia, Malawi and DRC and hence the putting up of a mobile saw mill in Mbeya or Mafinga in Tanzania.

2. Solid panel or doors from Cypress, Mahogany, Muninga, Pilipili, Mpapa, Teak, Oak, Koso, etc.. The door frames, facial boards, skirting, stairs and rail timber will fall in this category.
3. Flush doors to be made principally from soft wood (plywood) and others from hard wood skins ripped by saw. The frames and inserts together with bidding will be determined by the buyer when placing orders.
4. Block Boards to be made from Flush Doors Plant.

5.2. Key Features

1. Sawn timber will have the exact dimensions negative tolerances will not be tolerated. Furthermore, the timber will only be harvested from mature trees.
2. Solid Panels doors will only be made from very dry timber substrate to ensure that consistent qualities are maintained. The doors will be properly sanded in an automatic line and will be glass like smooth. The doors will be sold unvarnished.
3. Flush doors will be made from a strong frame all round unlike competition that only put small frames around the lock- area. The plywood or the skin will be of high quality and the inserts will be timber to ensure that the door is very strong and of consistent quality.
4. Block Boards will be double faced with soft wood core. The client can choose from hardwood or soft wood facing but mostly we will produce soft wood facing for the general market.

5.3. Main Benefits

With the aforementioned features, Sokombao will enjoy unrivaled market for its product mix and will suck away customers from competition while maintaining product quality and integrity. This will in turn push the market share and accelerate growth in the shortest time possible.

5.4. Pricing Plans

Sokombao products will be priced between 2-4% lower than competition. The strategy is already working and will encourage contractors and architects to buy Sokombao products saving them money and giving them consistency in quality due to automation of manufacturing process.

With these levels of discounts, major distributors and hardware dealers will enlist with Sokombao automatically with minimal marketing effort. The same strategy that markets steel and other constructions products in this region with a slight modification we believe, will work perfectly well for wood and wood products.

5.5. Competitors' Offerings

There are two main types of timber and timber products suppliers in the industry.

1. Timber from own planted forest and products from own factory.
2. Wood procured from other sources including imports and wood products made from own factory.

The two industry leaders have also their own saw timber treatment plant.

3. Only one of the competitor, Timsales, has the capacity to produce and offer all the four products Sokombao will be offering. The other, Wood Product can only offer 3 out of 4 but at astronomically high prices.
4. Shah timber produces products similar to Sokombao but is priced higher than Sokombao's intended entry pricing strategy.

Sokombao will provide high volume work, superior project management, and excellent quality while maintaining overheads despite subcontracting the function of treatment to other facilities in Tanzania for the time being.

5.6. Competitive Assessment

The high-end and middle segment markets understand the concept of service and support, and are more likely to pay for products when the offering is clearly stated.

There are two main competitors in the local market namely Timsales and Woodproducts. Although each of them delivers reasonably quality products, we feel they fail to deliver a full turnkey package. Furthermore, Woodproducts products are over-priced and their capacity is greatly restrained making it difficult for them to handle large projects and thus will concentrate at the high end of the market. Timsales has increased their capacity by collaborating with their newly acquired sister company in Tanzania but again, the market is too large to be adequately serviced.

There are Six factors that govern the cost timber of and timber products that go into projects: Scope, Product (Maturity of timber and Moisture Content,) Design, and Services. Most people mistakenly think that the size of the project and the choice of brand name products will make for the best results. But it is the product quality, price and a company's services that will have the greatest impact on the quality and value of the customer investment.

6. Profiles of Target Markets

6.1. General Background

East Africa and especially Kenya, is experiencing steady growth in the middle and high-end residential housing markets and there is a general consensus of continued strong growth in the area in years to come.

Sokombao will be focusing on architects, owners, and contractors in the regional area who are involved in high-end residential, middle cost housing resort, and commercial development segments.

In Kenya, a total of 150,000 new houses are required every year against supply of only 33,000 units. Refer the appendix for more information.

In Nairobi alone, Embakasi, Mlolongo, Kitengela, Thika Road and Athi River areas are experiencing middle class housing boom. There are more than 10 new projects coming up in this zone alone in the next 24 months costing billions of shillings.

Vestlands, Upperhill areas are similarly experiencing office and commercial development booms.

Mombasa and Dar Es Salaam markets are steady and new demands shoots up from time to time.

The upcoming TATU CITY and a bigger one being planned nearby are near future market. To add icings on the cake, the ICT CITY will offer the biggest development the entire East Africa has experienced in the recent past.

To take the markets further, regional Comesa market gives an export angle to the proposed business. There is also a very strong possibility of exporting to the Middle East and to the USA, duty free under AGOA.

In a nut shell, the demand for wood and wood products greatly outstrips supply as the forest resources are becoming scarce and more expensive as we progress into the future.

6.1.1. Market 1

Middle class residential houses and apartments.

This is where most growth is being experienced now. Both the private sector and public sector are main investors in this segment with the public sector being represented by NSSF and NHC and myriad banks offering services to the sector. The segment represents the biggest market that is still on the phase of steady growth.

In Tanzania, NSSF and banks are financing major construction programmes.

Commercial facilities also fall partly in this segment.

6.1.2. Market 2

High end residential houses and apartments.

There is a serious boom in this area for the last 6 years and the boom is now steady with maturity approaching slowly. This has been left to private sector developers and home owners and banks are still active in mortgage finance to the concerned parties. Both Kenya and Tanzania are enjoying significant growth in this high spending sector.

Other high end commercial facilities fall in this sector.

6.1.3 Market 3

Planned massive developments.

ICT CITY in Kwanza, TATU CITY in KIAMBU, ELDORET TOURIST CITY, DAR HIGH RISE RESIDENTIAL COMPLEX will present very big opportunities for the next 5-15 years. Another development several times the size of TATU CITY is also on the drawing board. These are all futuristic cities that have taken on the carbon copy from the Asian models.

6.1.4 Market 3

Exports

Larger than the combined regional market by far and already large enquiries are streaming in. USA will be very interesting as they have closed down many of their plants and imports from China, India and South America. Sokombao will enjoy **duty free** access to this market. This segment will be deferred until we satisfy our regional mandate and matured in world class manufacturing processes. China is already making serious enquiries and are ready to do business when the plant is ready. While at the same time, they are going to place orders for semi-finished products. The prospects are simply overwhelming.

6.2. Sizes, Segments & Trends

The above markets may be summarized as per the table below.

Key Segments	2012 (\$m)	2013 (\$m)	2014 (\$m)	2015 (\$m)
Segment A, Market 1	16	19.2	23.04	27.65
Segment B, Market 2	8	10	12.5	15.7
Segment C, Market 3	4	5	7	8
Other segments, Market 4	4	5	7	8
Total market	34	39.2	50	60

Potential Customers	Growth					
Medium Class Flats	20%	50,000	60,000	72,000	86,400	103,680
Apartments	25%	10,000	12,500	15,625	19,531	24,414
High class homes	15%	5,000	5,750	7,188	8,984	10,332
Other	3%	5,000	5,150	5,923	6,811	7,833
Total						

6.3. Review of Competition

The market size stipulated above (6.2) is just but a low level estimate from research carried out. The real market size is bigger than the estimate.

TIMSALES/RAIPLY

The biggest competition and at time partner in the region.

A multi million dollars establishment with factories and sister companies spanning the region.

Old establishment and market leader offering basically all the products Sokombao intends to offer.

From sawn timber to flush doors and solid doors (a recent feature), this group has enjoyed unrivaled business many decades. As the largest producer of flush doors and block boards in the region estimated to be 60% of the market share, Timsales has endeared themselves to many customers considering also their pricing strategy.

Sokombao will counter Timsales on quality and pricing. Timsales quality is inferior to other competition offering which are more expensive. With critical cost re-engineering and raw material sourcing and considering free movement (duty free) of goods and services in the East African Community, Sokombao intends to offer better quality than all the competition but adopt a pricing strategy that is in between Timsales and the rest of the completion. Sokombao has tried on a pilot basis this strategy with constructors with great success.

On solid doors, none of the completion will beat Sokombao due to high level of automation and installation the factory at the hub of raw materials and only shipping out finished products.

On this front, Sokombao tried a pilot program with constructors and home owners at a very great success. Sokombao products were of higher quality, from workmanship to choice of raw materials and shockingly, 20% cheaper.

WOODPRODUCTS/ SHAH TIMBER

Woodproducts exhibits good quality timber products but at an expensive pricing strategy. The company that started as supplier of soft and hard woods has grown into leaps and bounds and has occupied a strategic market niche in the middle and high end segments.

Sokombao is not worried about Woodproducts because it will match the qualities at a price level of over 30% cheaper.

SHAH TIMBER

One of the oldest sawn timber-supplying outfit in the region.

Has done remarkably well over the years and have recently diversified in timber products churning organization. Reasonably pricing strategy that is still higher than Sokombao by about 20%.

FIBREBOARDS/TANZANIA

Will emerge as a strong competition to Sokombao considering that they beat Sokombao in acquiring a modern timber products factory in Mafinga. Sokombao having studied the operation and equipment of the aforementioned plant, is putting up more modern and efficient machineries to counter Fibreboards threat in the Tanzanian market. Also considering that most of the products about 80% of Sokombao products are destined for the Kenyan market, the threat will be negligible.

SAOHILL INDUSTRIES- MAFINGA TANZANIA

The capacity of this good outfit is very low and will be out maneuvered by economies of scales offered by Sokombao.

IMPORTS FROM CHINA AND FAR EAST

This has taken over a substantial market share from local manufactures mainly due to the following reasons:

1. AVAILABILITY

For large constructors and developers, timing and scheduling of inputs to the project is very critical. Imports play a major part in fitting this jig saw puzzle. For example if a developer requires 5,000 solid doors within 90 days, most of the local manufactures do not have the capacity to produce the doors and avail them to the contractor at the right time. This gap will be fulfilled to a good extent by Sokombao by bringing to the region a high level of automation. Most of manufactures still use labor intensive operations to achieve this objective. Instead of producing 200 – 500 solid doors a day, they can only produce 20-60 doors.

2. AESTHETICS

Buyers are increasingly looking for “beauty” at the expense of strength and durability and this where the Asian products come into full force. Pricing is basically average and over the years exhibits little differences. Sokombao having traded with China in imports and have visited factories and exhibitions in China, Korea, India, Malaysia, has come up with even a better model. Import better laminating products from Far East and Europe, and laminate the same on a solid panel made of local solid timber. End results, better aesthetics, better strength and higher durability all at the same price.

6.4. Customers/Users

Sokombao is currently working with many contractors such as:

- CHINA JAINGXI CORPORATION
- CITAC CORPORATION
- MINI GROUP DEVELOPMENT
- SHAH TIMBER
- NHC
- ARCHITECTS
- CHINA WUI
- FIVE STAR GROUP

Due to capacity constraint at the moment, we have decided to handle mainly the organizations listed above.

6.5. Review of Market Potential

The total market of the product has not been established by certainty but it can be estimated to be more than USD 500 MILLION annually with main players being only handful manufacturing plant and the rest scattered amongst small scale carpentry and timber yards. Further, From the Ministry of Forestry Data, Kenya Imports about USD 20 MILLION worth of Timber Monthly. This can corroborate the market for timber and timber products annually. Refer to the newspaper report in the appendix.

7. Marketing Strategies, Sales Plans & Projections

7.1. Key Marketing Strategies

Our marketing and sales strategy is to make ourselves known through mailings, print advertising, and personal contact to architects and contractors who are primarily involved with the design/construction of commercial development, middle and luxury homes and apartments. We shall also be attending expos to show case our products to members of public interested in building and construction materials.

Having a showroom will be a sales tool in itself. A showroom will give us exposure to the general public, new arrivals to the area, and construction professionals.

7.2. Marketing/Sales Plans & Resources

Our products mainly solid and flush doors, fascia boards, block boards and skirting will be delivered to construction sites within Nairobi and surrounding areas free of charge.

For drive in clients, our plant in Dandora will have a showroom that will double up as a sales office. Sales executives will be assigned jobs with each handling different segments resulting in different accounts.

The products will be advertised in the print media, TVs , radios, web, fliers etc and promotions will be carried out in all major towns in the country using professional agencies.

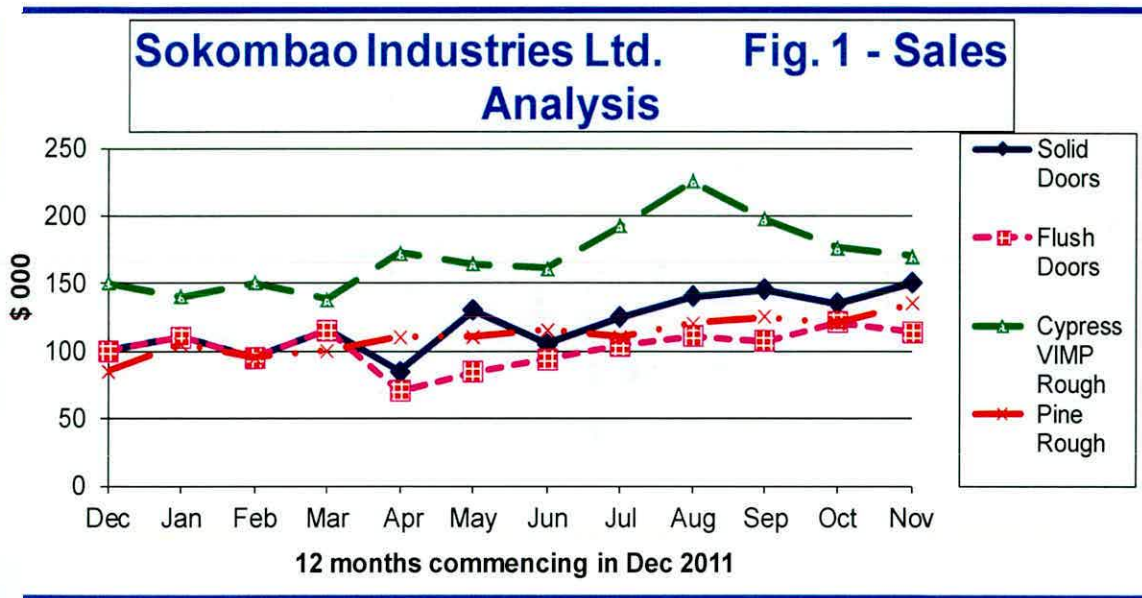
Contractors, project developers and architects will enjoy up to 4% discounts and distributors 12.5% discounts. We intend to use large hardware dealers for our distribution within the city of Nairobi and medium size dealers for other towns in Kenya.

African Retail Traders will enjoy a 15% discounts because they will allow us to use the about 50 outlets in the country.

7.3. Marketing/Sales Expense Projections

Years to end May:	2012	2013	2014	2015
Head count - marketing staff	2	2	3	5
Head count - sales staff	3	3	5	8
Head count - total marketing & sales	5	5	8	13
Average payroll cost/person (\$000)	6.6	7.26	7.5	8.23
Total payroll cost (\$000)	33	36.3	60	107
Travel & subsistence expenses (\$000)	0.033	0.0363	0.06	0.107
Marketing/sales expenses - XX (\$000)	0.099	0.10890	0.18	0.321
Total payroll & expenses (\$000)	33.132	36.4452	60.24	107.428

7.4. Sales Forecasts



7.5. Market Share Projections

By selling and distributing our products through the planned channels, we expect to conquer 20% of market share in the first , 30% in the second and 35% in the 3rd year.

This is not a dream but a reality because of our high level automation and right marketing strategies.

7.6. Worst Case Scenario

Worst case scenario will be effected if we only sale 30% of the products produced. But again this can be mitigated by importing doors from China that we have already developed very good importation channels. So the business is safe either way.

8. Technology and R&D

8.1. Overview of Technology

We depend on our dominance of the latest in technology of ergonomics, combined with classic design elements of fine doors. This will be coupled by our ability to produce thousands of doors per day in an automated thereby increasing our superiority in deliver projects requirements in days not in months as it is with the competition. We must remain on top of new technologies in display, input and output, and communications. No competitor will match our output prowess.

8.2. R&D Plans

We shall commit 3 % of our net profits to research and development specially in new materials for making ECO friendly doors and improvement in production processes.

8.2.1. Future Products

Sokombao is entering in to this “forests of woods” with un-faltered focus in putting up MELAMINE COATED PARTICLE BOARD MANUFACTURING PLANT with a view of selling the boards and downstream production of system furniture. This must be done within 3-5 years before Timbaland becomes ISO and SIX SIGMA certified.

We will be researching on technology, markets and how to put up a production plant for MELAMINE COATED CHIPBOARD.

9. Operational Plans

9.1. Locations & Facilities

Description of Premises	Address	Floor Area	Main In-store Facilities	Owned or Leased?
FACTORY	KINYANAMBO	20,000SF	TO BE CONSTRUCTED	OWNED
OFFICE BLGD	KINYANOMBO	3,000SF	TO BE CONSTRUCTED	OWNED
ACCOMO	KINYANAMBO	1,000SF	TO BE CONSTRUCTED	OWNED

9.2. Operating Methods/Procedures

Projected inventory levels for the four quarters are as follows:

Inventories	Opening Levels	Quarter Ends in Year to Nov 2012			
		1st	2nd	3rd	4th
	\$000	\$000	\$000	\$000	\$000
Finished goods	125.0	289.0	297.2	357.0	354.3
Materials/goods	120.0	120.0	120.0	120.0	120.0
Total inventory	245.0	409.0	417.2	477.0	474.3

9.3. Capital Expenditure Projections

Years to end Nov Month:	2012 (\$000)	2013 (\$000)	2014 (\$000)	2015 (\$000)
Project #1 Land, Buildings and improvements	250			
Project #2 Plant, Equipment & Machinery	350			
Project #3 Motor Vehicles	50			
Total Capital Expenditure	650			

Years to end Nov Month:	2012 (\$000)	2013 (\$000)	2014 (\$000)	2015 (\$000)
New equity	300			
New Loans	200			
Internal Cash Flow	150			

9.4. Operating Cost Projections

9.4.1. Purchases & Materials

The projected average materials/goods cost percentages for the four quarters are as follows:

Product Groups	Quarterly Averages for Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Averages
	% Sales	% Sales	% Sales	% Sales	% Sales
Solid Doors	63.8	58.4	65.8	60.6	62.1
Flush Doors	79.6	60.4	67.5	66.1	68.6
Cypress VIMP Rough	87.0	73.1	73.9	66.9	74.7
Pine Rough	82.0	73.0	71.8	71.7	74.2

Based on Cost of Materials (Assumption Report No. 2) as % Sales (Report 1)

9.4.2. Direct Labor

The projected headcounts at quarter ends are as follows:

Functions	Quarter Ends in Year to Nov 2012			
	1st	2nd	3rd	4th
	Nos	Nos	Nos	Nos
Direct labor:				
- Solid Doors	12	15	18	21
- Flush Doors	11	13	14	16
- Cypress VIMP Rough	5	10	10	10
- Pine Rough	<u>10</u>	<u>13</u>	<u>16</u>	<u>19</u>
Total direct labor	38	51	58	66
Indirect labor	5	5	5	5
Supervisory staff	5	5	5	5
Sales	5	5	5	5
Clerical	4	4	4	4
Management	5	5	5	5
Research & development	2	2	2	2
Total headcount	64	77	84	92

9.3. Other Direct/Variable Costs

Other Direct and Variable costs are not foreseen in the fast year but a provision will be built for them.

9.4.4. Total & Unit Costs

COST PER UNIT OF VARIOUS PRODUCTS

Year to end Nov 2012	Total Sales	Gross Margin	Gross Margin	COGS	UNITS	Cost per Unit
	\$000	\$000	% Sales	\$000		\$/Unit
Product Group:						
- Solid Doors	1,435.00	530.5	37	904.5	2,000pcs	37.7
- Flush Doors	1,224.20	379.4	31	844.8	5,000pcs	14.1
- Cypress VIMP Rough	2,035.00	586.4	28.8	1,448.60	400 m3	301.8
- Pine Rough	1,330.00	364.7	27.4	965.3	350m3	229.8
Total	6,024.20	1,861.00	30.9			

Exchange rate: Kshs:USD 83:1

For cubic metre calculations: Assumption is based on running metres as follows:

6 x 2: 134, 4 x 2: 200, 3 x 2: 267

Direct costs and overhead expenses are summarized below.

Cost Analysis	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Materials/packaging/goods	893.8	926.9	1,069.2	1,124.7	4,014.6
Direct labor	18.9	26.6	30.7	37.9	114.1
Other direct	<u>7.9</u>	<u>8.9</u>	<u>8.5</u>	<u>9.0</u>	<u>34.4</u>
Total Cost of sales	920.6	962.5	1,108.4	1,171.6	4,163.2
Overhead expenses:					
Operational (indirect)	16.5	16.5	16.5	16.5	66.0
Selling & freight	55.5	58.9	66.4	66.0	246.8
Management/admin staff	25.5	25.5	25.5	25.5	102.0
Research & development	6.0	6.0	15.0	6.0	33.0
Administration	20.4	20.4	20.4	20.4	81.6
Occupancy/general	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>24.0</u>
Total overhead expenses	129.8	133.3	149.8	140.4	553.4
Total direct costs & expenses	1,050.5	1,095.7	1,258.3	1,312.1	4,716.6

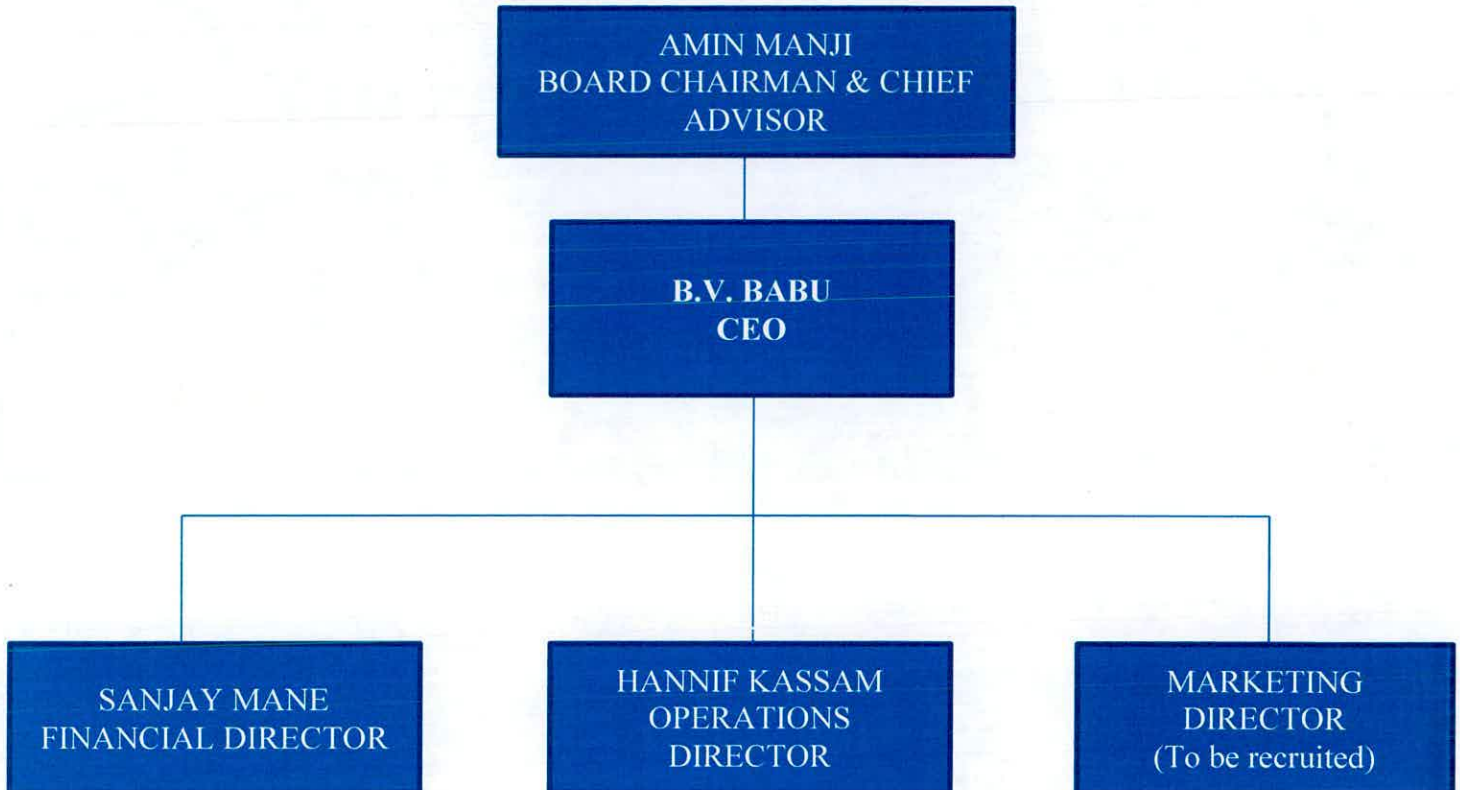
Years to end Nov:	2012	2013	2014	2015
Sales projections (units)				
Sales projections (\$000)	6,024.2	4,932	6,290	8,177
Materials & bought-in components (or cost of goods for resale) (\$000)	4,014.6	3,169.8	4,023.1	4,364.7
Direct labor (\$000)	114.1	131.2	150.9	226.3
Other direct costs (\$000)	34.4	40	50	70
Total direct cost (\$000)	4,163.2	3,341	4,224	4,661
Average direct cost per unit (\$)	REFER TO	APPENDIX		
Average selling price (\$/unit)	REFER TO	APPENDIX		
Average direct cost as % average selling price	REFER TO	APPENDIX		

The following table analyses sales and gross margins by main product group for the full year.

Year to end Nov 2012	Total Sales	Gross Margin	Gross Margin
	\$000	\$000	% Sales
Product Group:			
- Solid Doors	1,435.0	530.5	37.0
- Flash Doors	1,224.2	379.4	31.0
- Cypress VIMP Rough	2,035.0	586.4	28.8
- Pine Rough	<u>1,330.0</u>	<u>364.7</u>	<u>27.4</u>
Total	6,024.2	1,861.0	30.9

10. Management & Administration

10.1. Management Structure



10.2. Key Management Profiles

Please refer to the appendix for more details.

summary, present, possibly is the best management team earmarked to run Sokombao.

From Chairman Amin, who has successfully built and managed over 10 manufacturing outfits spread all over East Africa and manages another 15 trading and development companies, this is the Four Star on his General's regalia, to CEO Babu who has been responsible for the growth of huge sector of industry in the region, talent is simply overflowing at Sokombao.

10.3. Administration & Systems

Six Sigma principles will be applied in fine tuning administration and systems at Sokombao. The administration will consist of qualified and experienced personnel. Latest manufacturing systems will be a hallmark in the operations of the plant. We will develop metrics using learning Curve attributes to arrive at best manufacturing practices. Sales and Marketing will be seamless with ware housing and every employee in the facility will be a face of Sokombao brand.

10.4. Head Count Projections

The projected headcounts at quarter ends are as follows:

Functions	Quarter Ends in Year to Nov 2012			
	1st	2nd	3rd	4th
	Nos	Nos	Nos	Nos
Direct labor:				
- Solid Doors	12	15	18	21
- Flash Doors	11	13	14	16
- Cypress VIMP Rough	5	10	10	10
- Pine Rough	<u>10</u>	<u>13</u>	<u>16</u>	<u>19</u>
Total direct labor	38	51	58	66
Indirect labor	5	5	5	5
Supervisory staff	5	5	5	5
Sales	5	5	5	5
Clerical	4	4	4	4
Management	5	5	5	5
Research & development	2	2	2	2
Total headcount	64	77	84	92

10.5. Overhead Expense Projections

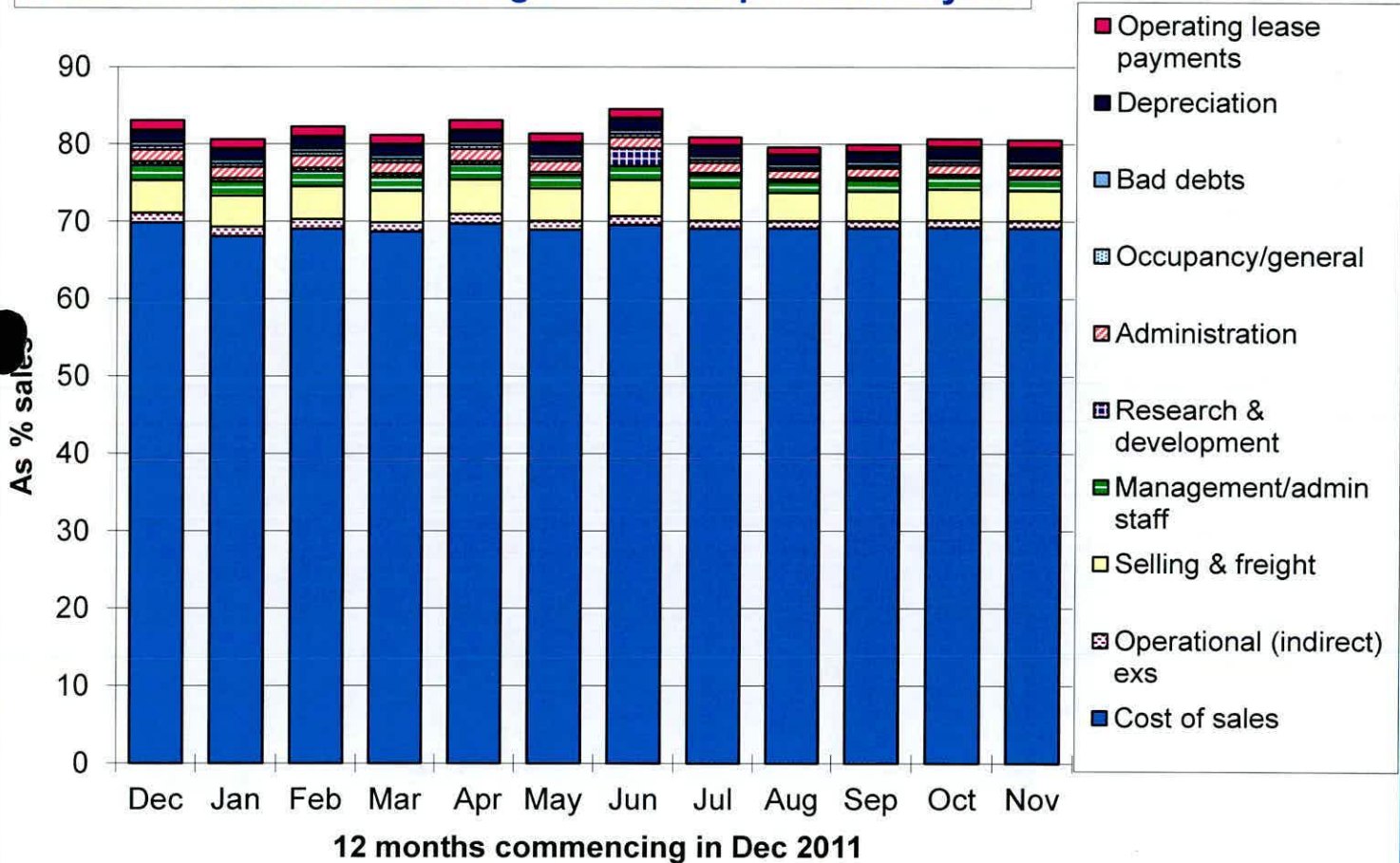
Ukombao will employ some of the most advanced tools in overhead cost management. Mr. Babu is a firm believer of modeling deploying advanced statistical tools to manage and control costs and improve quality. The company intends to deploy full absorption costing to ensure that all overheads are absorbed per unit of product. This will offer some flexibility especially where discounts will be sort by customers and keep a fluid distribution channels.

Constant cost re-engineering and deep sourcing of raw materials and adoption of tried and tested alternates will induced into the operations.

Direct costs and overhead expenses are summarized below.

Cost Analysis	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Materials/packaging/goods	893.8	926.9	1,069.2	1,124.7	4,014.6
Direct labor	18.9	26.6	30.7	37.9	114.1
Other direct	7.9	8.9	8.5	9.0	34.4
Total Cost of sales	920.6	962.5	1,108.4	1,171.6	4,163.2
Overhead expenses:					
Operational (indirect)	16.5	16.5	16.5	16.5	66.0
Selling & freight	55.5	58.9	66.4	66.0	246.8
Management/admin staff	25.5	25.5	25.5	25.5	102.0
Research & development	6.0	6.0	15.0	6.0	33.0
Administration	20.4	20.4	20.4	20.4	81.6
Occupancy/general	6.0	6.0	6.0	6.0	24.0
Total overhead expenses	129.8	133.3	149.8	140.4	553.4
Total direct costs & expenses	1,050.5	1,095.7	1,258.3	1,312.1	4,716.6

Sokombao Industries Ltd. Fig. 3 - Cost/Expense Analysis



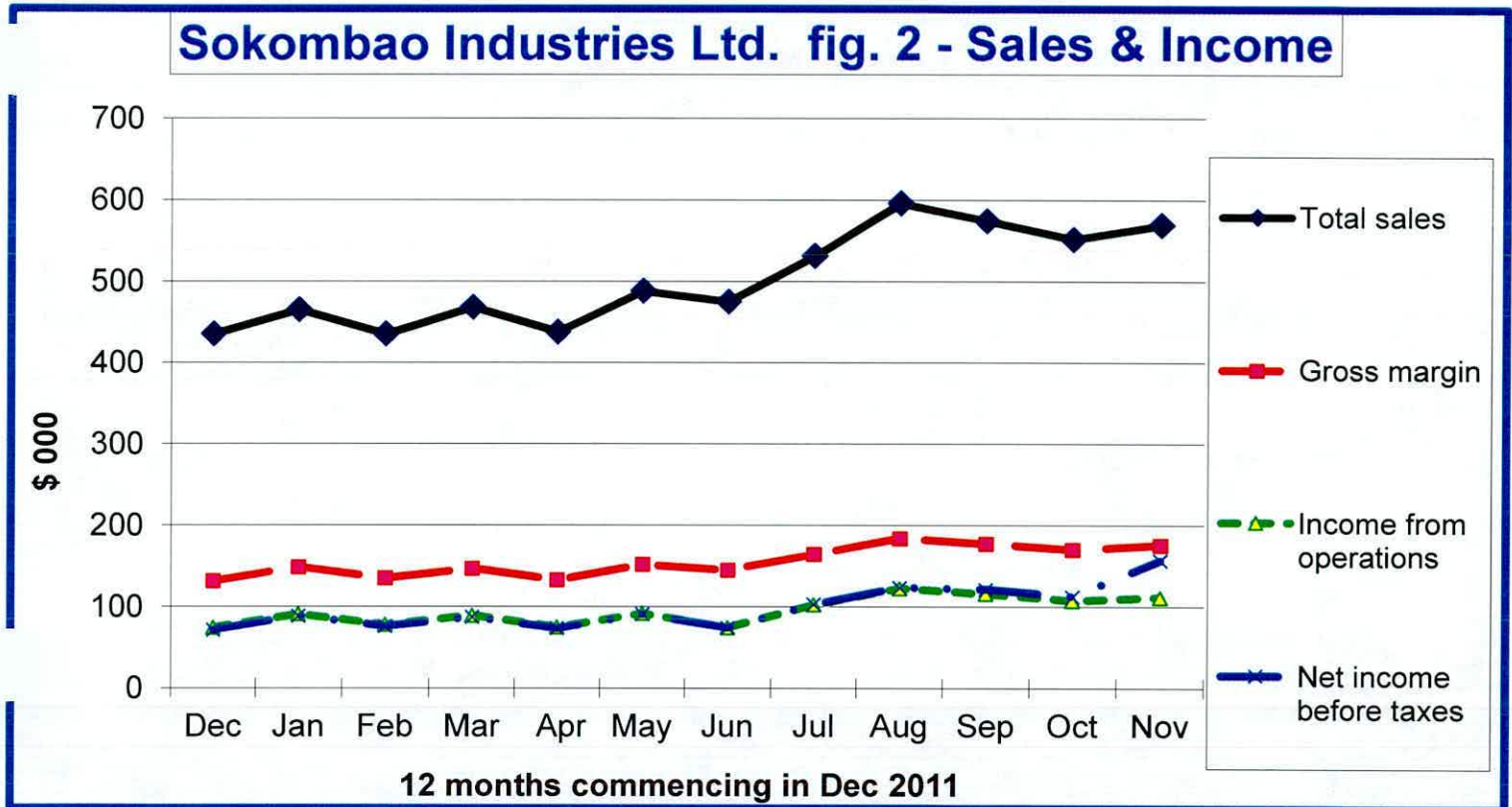
11. Financial Projections

11.1. Key Assumptions

Please refer to the appendix under product unit cost.

11.2. Income (P&L) Projections

This First-Year Financial Report covers the twelve months to end Nov 2012 based on detailed monthly projections and assumptions.



The following table analyses sales and gross margins by

Year to end Nov 2012	Total Sales	Gross Margin	Gross Margin
	\$000	\$000	% Sales
<i>Product Group:</i>			
- Solid Doors	1,435.0	530.5	37.0
- Flush Doors	1,224.2	379.4	31.0
- Cypress VIMP Rough	2,035.0	586.4	28.8
- Pine Rough	<u>1,330.0</u>	<u>364.7</u>	<u>27.4</u>
Total	6,024.2	1,861.0	30.9

This First-Year Financial Report covers the twelve months to end Nov 2012

This shows that Solid Doors will account for 24% of projected sales

(29% of total gross margin); that Flush Doors will account for a further

22% of sales (20% of total gross margin); that Cypress VIMP Rough will account

for 34% of sales (32% of total gross margin); that Pine Rough will account

for the balance of 22% of sales (20% of total gross margin).

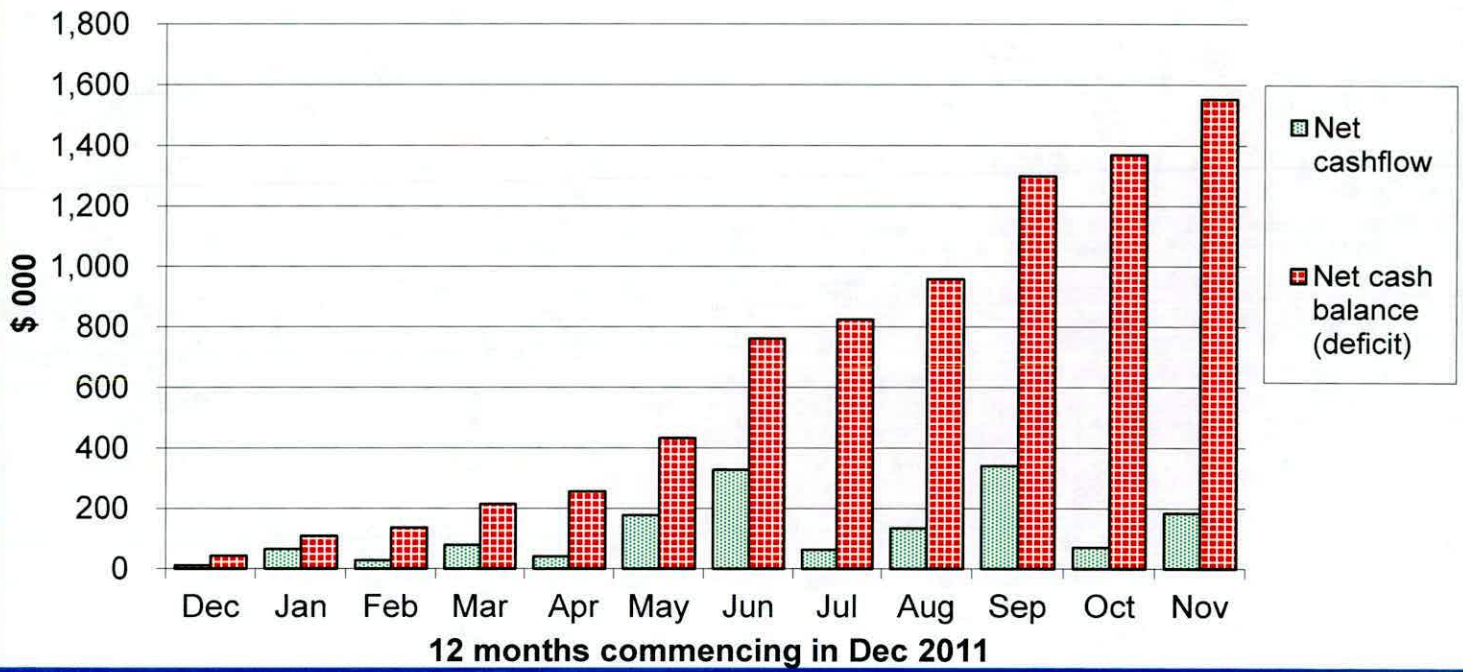
The projected overall gross margin is 31%.

11.3.Cash Flow Projections

Cashflows	Quarters in Year to Nov 2012			
	1st	2nd	3rd	4th
	\$000	\$000	\$000	\$000
Total cash receipts	2,027.9	1,755.6	2,158.6	2,305.9
Total cash payments	<u>1,923.7</u>	<u>1,459.0</u>	<u>1,633.2</u>	<u>1,711.4</u>
Net cashflow	104.2	296.6	525.4	594.6
Closing cash balance (deficit)	133.2	429.8	955.3	1,549.8

Sokombao Industries Ltd.

Fig. 5 - Cash flow



11.4. Balance Sheet Projections

The next table shows the projected balance sheets.

Years to end Nov	10-11 Act/Est	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets:						
Cash	159	1,550	2,483	3,655	5,195	8,546
Other	<u>873</u>	<u>739</u>	<u>653</u>	<u>789</u>	<u>1,810</u>	<u>2,398</u>
Total Current Assets	1,032	2,289	3,135	4,443	7,006	10,944
Fixed & intang assets	702	743	929	1,337	1,591	1,770
Total assets	<u>1,734</u>	<u>3,032</u>	<u>4,064</u>	<u>5,780</u>	<u>8,597</u>	<u>12,714</u>
LIABILITIES						
Current liabilities:						
Short-term loans/credi	130					
Other	<u>934</u>	<u>981</u>	<u>885</u>	<u>1,427</u>	<u>1,671</u>	<u>2,021</u>
Total Current Liabilitie	1,064	981	885	1,427	1,671	2,021
Total longterm liabiliti	125	420	365	354	422	491
Total owners' equity	545	1,631	2,814	3,999	6,504	10,203
Total liabilities	1,734	3,032	4,064	5,780	8,597	12,714

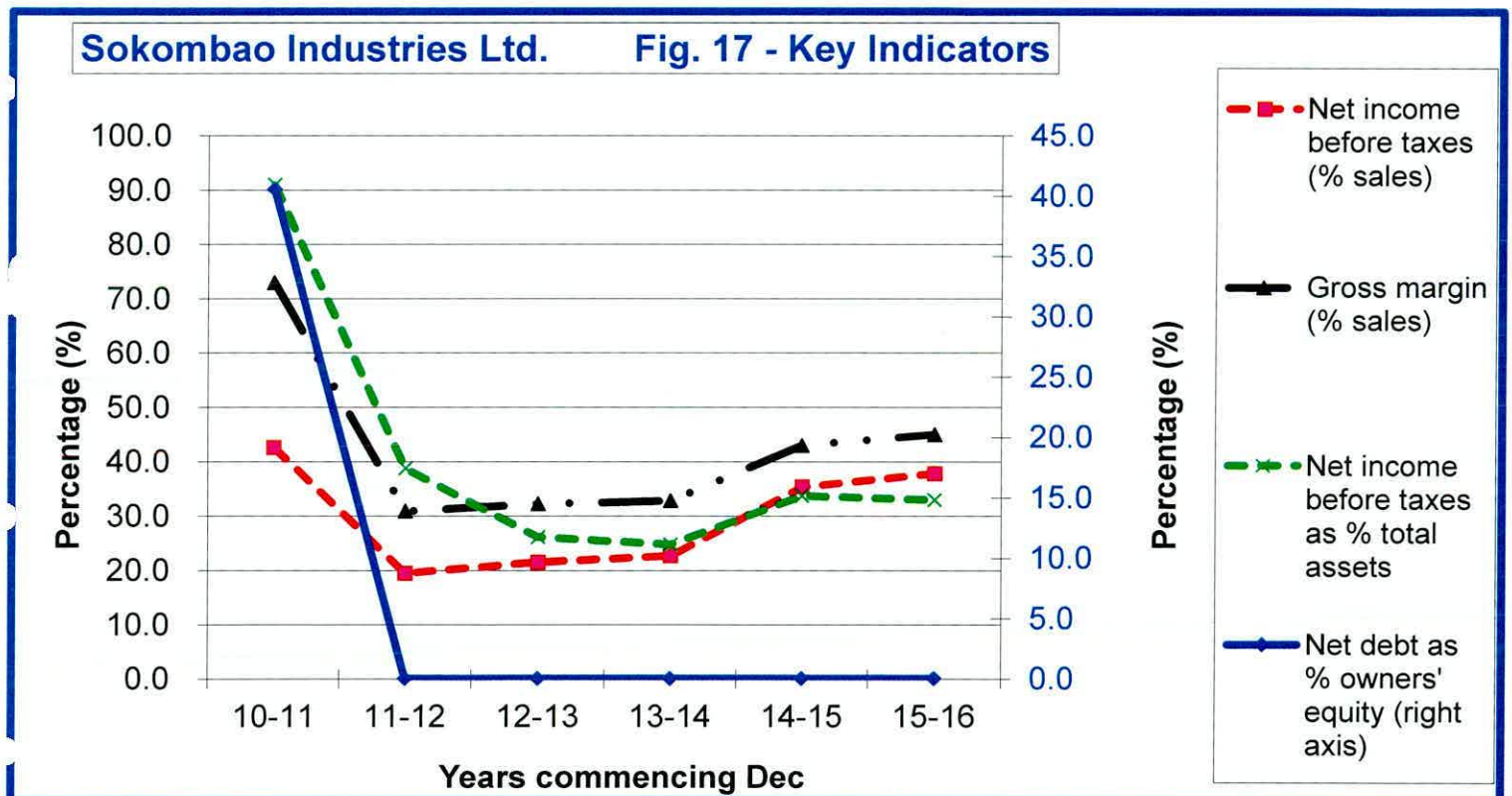
The projected change in owners' equity is \$9658 000 and the expected closing net cash position is \$8546 000.

1.5. Ratio Analyses

The overall projected performance of SOKOMBAO INDUSTRIES for the years under review is assessed in the following table:

Years to end Nov	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
Gross margin (% sales)	30.9	32.3	32.8	43.0	45.0
Net income before taxes (% sales)	19.4	21.4	22.6	35.3	37.8
Sales as % breakeven	252	206	235	352	412
Net income before taxes/total assets (%)	38.6	26.0	24.6	33.6	32.8
Sales/total assets (times)	2.0	1.2	1.1	1.0	0.9
Net debt as percentage of owners' equity (Max=200%)					
Net assets per share (\$)	2.65	4.23	6.01	9.78	15.34
Earnings per share (\$)	1.37	1.54	1.97	3.99	5.77
Dividend per share (\$)			0.19	0.23	0.21

This table indicates that the following financial ratios may be in line with generally accepted norms for one or more years:



11.6.Sensitivity Analyses

To be carried out by the bank.

11.7.Overall Assessment

Our view is that the business is profitable and sustainable. The rest of the assessment to be carried by the bank.

12. Funding

12.1. Funding Requirements

The entire setup will require USD 650,000 and can be staggered out in phases for a period of 1 year in line with implementation schedule.

*Working capital will be additional USD 350,000.
- Land & Buildings not included*

12.2. Funding Proposals

Sokombao is already in the process of acquiring a 15 acres land in Mafinga from proceeds of timber trade trials.

In short, the funding proposals will be as follows:

- New equity: USD 300,000
 - Loans: USD 200,000
 - Cash flow from existing activities: USD 150,000
 - Total funding requirement, 1st year: USD 650,000 (MINUS WORKING CAPITAL)
- + USD 350,000 (WORKING CAPITAL)
-
- USD 1,000,000
-

NOTES: THE ABOVE DOES NOT INCLUDE LAND & BUILDINGS THAT WILL BE EFFECTED FROM A SEPARATE BUDGET. APPX USD 250,000.

13. Implementation

13.1. First Year

IMPLEMENTATION SCHEDULE

No.	Milestones	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
1	Land Acquisition/T. Deed														
2	Licences, E IA														
3	Fence Construction														
4	Factory Drawings														
5	Loan Application & Processing														
7	Ordering Equipment- Partial														
8	Building Factory														
9	Installation of 1st Batch of Equipment														
10	Installation of Last Batch of Equipment														
11	Commencement														

13.2. Subsequent Years

COKOMBAO will revise its strategy in subsequent years in line with industry requirements and general economic climate. This will be an overall assessment of strategies deployed in making the business profitable.

13.3. Contingency Plans

The company will develop a strong export market to Europe and Far East as a strong back up to boost sales and ship extra capacity.

The promoters have investigated several markets with very positive prospects awaiting factory set up and various accreditations.

Lastly, timber sales in the region and exports outside the continent can sustain a very profitable operation.

14. Conclusion

Conclusion

Sokombao will be a profitable business with returns on investment being realized within 3 years.

Timber and timber products business is very profitable business requiring low- medium level per capita investments, with high returns.

The business proposal above has not taken into consideration the very profitable HARD WOOD exports business Sokombao intends to start immediately alongside the proposed business line.

There is more ammunition in store for sustainable business.

Sokombao will also venture into other agri- forestry processing business.

LIST OF APPENDICES

1. Sales and Finished Goods Targets
2. Cost of Materials/Goods, Inventory and Purchases
3. Direct Labour, Other Direct Costs and Costs of Sales
4. Overhead Expenses
5. Fixed Assets
6. Funding, Interest Rates and Related Items
7. Opening Balance Sheet Items, Receivables and Payables
8. Sales and Related Taxes
9. Income Statements
10. Cash Flow Projections
11. Balance Sheets
12. Performance Review
13. Assumptions for subsequent years
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15. Annual Charts
16. Medium Term Income Statements
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20. Textual Summary Report

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
MONTHLY ASSUMPTIONS No. 1 - SALES & FINISHED GOODS INVENTORY TARGETS													
Set cells below to zero if not entering seasonal assumptions													
Seasonal index	>>> 5.00	5.00	5.00	5.00	5.00	4.00	6.00	7.00	8.00	5.00	3.00	4.00	Total 62.0
Sales - Solid Doors (000s units or \$000): Use either sales volumes or turnover values throughout this group													
Solid Doors	<<<>> 100.0	110.0	95.0	115.0	85.0	130.0	105.0	125.0	140.0	145.0	135.0	150.0	Total 1,435.0
Subgroup 1b	<<<>>												
Subgroup 1c	<<<>>												
Subgroup 1d	<<<>>												
Subgroup 1e	<<<>>												
Total sales - Solid Doors	100.0	110.0	95.0	115.0	85.0	130.0	105.0	125.0	140.0	145.0	135.0	150.0	150.0
													Total = 1,435.0
Sales - Flush Doors (000s units or \$000): Use either sales volumes or turnover values throughout this group													
Flash Doors	<<<>> 100.0	110.0	95.0	115.0	70.4	83.8	93.8	103.9	110.6	107.2	120.6	113.9	Total 1,224.2
Subgroup 2b	<<<>>												
Subgroup 2c	<<<>>												
Subgroup 2d	<<<>>												
Subgroup 2e	<<<>>												
Total sales - Flush Doors	100.0	110.0	95.0	115.0	70.4	83.8	93.8	103.9	110.6	107.2	120.6	113.9	113.9
													Total = 1,224.2
Sales - Cypress VIMP Rough (000s units or \$000) Use either sales volumes or turnover values throughout this group													
Cypress VIMP	<<<>> 100.0	100.0	90.0	80.0	110.0	130.0	105.0	125.0	155.0	130.0	120.0	110.0	Total 1,355.0
Cypress Rough	<<<>> 50.0	40.0	60.0	58.0	62.0	34.0	56.0	67.0	70.0	67.0	56.0	60.0	680.0
Subgroup 3c	<<<>>												
Subgroup 3d	<<<>>												
Subgroup 3e	<<<>>												
Total sales - Cypress VIMP F	150.0	140.0	150.0	138.0	172.0	164.0	161.0	192.0	225.0	197.0	176.0	170.0	170.0
													Total = 2,035.0
Sales-PINE Use either sales volumes or turnover values throughout this group													
Pine	<<<>> 85.0	105.0	95.0	100.0	110.0	110.0	115.0	110.0	120.0	125.0	120.0	135.0	Total 1,330.0
Subgroup 4b	<<<>>												
Subgroup 4c	<<<>>												
Subgroup 4d	<<<>>												
Subgroup 4e	<<<>>												
Total sales - Pine Rough	85.0	105.0	95.0	100.0	110.0	110.0	115.0	110.0	120.0	125.0	120.0	135.0	135.0
													Total = 1,330.0
Net selling prices (\$/unit): Set cells below to 1.0 unless using sales units													
- Solid Doors	>>> 1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	Average 1.0
- Flush Doors	>>> 1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Cypress VIMP Rough	>>> 1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Pine Rough	>>> 1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total sales (\$000): Note: Sales values will not be reflected in cashflow projections until credit terms have been specified in sheet M_B													
- Solid Doors	100.0	110.0	95.0	115.0	85.0	130.0	105.0	125.0	140.0	145.0	135.0	150.0	Total 1,435.0
- Flush Doors	100.0	110.0	95.0	115.0	70.4	83.8	93.8	103.9	110.6	107.2	120.6	113.9	1,224.2
- Cypress VIMP Rough	150.0	140.0	150.0	138.0	172.0	164.0	161.0	192.0	225.0	197.0	176.0	170.0	2,035.0
- Pine Rough	85.0	105.0	95.0	100.0	110.0	110.0	115.0	110.0	120.0	125.0	120.0	135.0	1,330.0
Total sales (\$000)	435.0	465.0	435.0	468.0	437.4	487.8	474.8	530.9	595.6	574.2	551.6	568.9	568.9
													Total = 6,024.2
Bad debts as % sales	>>> 0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Desired finished goods inventory as % sales for X													
months ahead: X = 0 to 4 Set cells below to zero unless manufacturer with finished inventories													
- Solid Doors	1 <<<>>	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
- Flush Doors	1 <<<>>	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
- Cypress VIMP	1 <<<>>	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
- Pine Rough	1 <<<>>	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Desired finished goods inventory (000s units or equivalent sales value in \$000): Set opening values to zero unless manufacturer with finished inventories													
- Solid Doors	>>> 84.0	99.0	85.5	103.5	76.5	117.0	94.5	112.5	126.0	121.5	135.0	135.0	
- Flush Doors	>>> 34.8	99.0	85.5	103.5	63.4	75.4	84.4	93.5	99.5	96.5	108.5	102.5	
- Cypress VIMP	>>> 17.2	126.0	135.0	124.2	154.8	147.6	144.9	172.8	202.5	177.3	158.4	153.0	
- Pine Rough	>>> 41.0	94.5	85.5	90.0	99.0	99.0	103.5	99.0	108.0	112.5	108.0	121.5	

Supplementary Data & Calculations:

Assumptions: SOLID DOORS- 2,000 UNITS/MONTH
 FLUSH DOORS- 5,000 UNITS/MONTH
 CYPRESS VIMP- 300 M3/MONTH
 PINE ROUGH-300 M3/MONTH

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
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MONTHLY ASSUMPTIONS No. 2 - COST OF MATERIALS/GOODS, INVENTORY & PURCHASES

Set cells below to zero if not entering seasonal assumptions													Total	
Seasonal index	-->	5.00	4.00	4.00	5.00	4.00	4.00	5.00	4.00	4.00	5.00	4.00	4.00	52.0
Finished goods required (000s units or equivalent sales value in \$000):														
													Total	
- Solid Doors		115.0	96.5	113.0	88.0	125.5	107.5	123.0	138.5	144.5	136.0	148.5	150.0	1,486.0
- Flush Doors		164.2	96.5	113.0	74.9	82.5	92.8	102.9	109.9	107.5	119.3	114.6	113.9	1,291.9
- Cypress VIMP Rough		258.8	149.0	139.2	168.6	164.8	161.3	188.9	221.7	199.8	178.1	170.6	170.0	2,170.8
- Pine Rough		138.5	96.0	99.5	109.0	110.0	114.5	110.5	119.0	124.5	120.5	133.5	135.0	1,410.5
Unit cost of materials/packaging or goods for resale (\$/unit, or \$ 0.xx if units not used):														
Set cells below to zero only if a 'pure' services business													Average	
- Solid Doors	-->	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
- Flush Doors	-->	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65	0.65
- Cypress VIMP Rough	-->	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
- Pine Rough	-->	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Cost of materials/packaging or goods required (\$000):														
- Solid Doors		69.0	57.9	67.8	52.8	75.3	64.5	73.8	83.1	86.7	81.6	89.1	90.0	
- Flush Doors		106.7	62.7	73.5	48.7	53.6	60.3	66.9	71.5	69.9	77.5	74.5	74.0	
- Cypress VIMP Rough		181.2	104.3	97.4	118.0	115.4	112.9	132.2	155.2	139.9	124.7	119.4	119.0	
- Pine Rough		97.0	67.2	69.7	76.3	77.0	80.2	77.4	83.3	87.2	84.4	93.5	94.5	
Desired inventory of material/packaging or goods for resale (\$000):														
Set cells below to zero if a 'pure' services business. Total values will be included in monthly balance sheets														
- Solid Doors	-->	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
- Flush Doors	-->	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
- Cypress VIMP	-->	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
- Pine Rough	-->	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Total inventory (\$000)		120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0	120.0
Purchases of materials/packaging & goods for resale (\$000):														
- Solid Doors		69.0	57.9	67.8	52.8	75.3	64.5	73.8	83.1	86.7	81.6	89.1	90.0	891.6
- Flush Doors		106.7	62.7	73.5	48.7	53.6	60.3	66.9	71.5	69.9	77.5	74.5	74.0	839.7
- Cypress VIMP Rough		181.2	104.3	97.4	118.0	115.4	112.9	132.2	155.2	139.9	124.7	119.4	119.0	1,519.6
- Pine Rough		97.0	67.2	69.7	76.3	77.0	80.2	77.4	83.3	87.2	84.4	93.5	94.5	987.4
Total purchases (\$000):		453.8	292.1	308.3	295.8	321.3	317.9	350.3	393.0	383.6	368.1	376.4	377.5	4,238.3

Note: Purchases will not be reflected in cashflow projections until credit terms have been specified in sheet M. B

Supplementary Data & Calculations:

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
MONTHLY ASSUMPTIONS No. 3 - DIRECT LABOR, OTHER DIRECT COSTS & COST OF SALES													
Set cells below to zero if not entering seasonal assumptions													
Seasonal index	-->												Total
Try to allocate direct/variable headcount between groups, irrespective of type of business													
Direct labor (Persons):	-->												Average
- Solid Doors	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	20.0	21.0	15.5
- Flush Doors	10.0	10.5	11.0	11.5	12.0	12.5	13.0	13.5	14.0	14.5	15.0	15.5	12.8
- Cypress VIMP Rough	5.0	5.0	5.0	5.0	5.0	10.0	5.0	10.0	10.0	10.0	10.0	10.0	7.5
- Pine Rough	8.0	9.0	10.0	11.0	12.0	13.0	14.0	15.0	16.0	17.0	18.0	19.0	13.5
Total direct labor (Persons)	33.0	35.5	38.0	40.5	43.0	50.5	48.0	55.5	58.0	60.5	63.0	65.5	49.3
Sales/output per direct person (000s units or equivalent sales value in \$000):	-->												Average
- Solid Doors	11.5	8.8	9.4	6.8	9.0	7.2	7.7	8.1	8.0	7.2	7.4	7.1	8.2
- Flush Doors	16.4	9.2	10.3	6.5	6.9	7.4	7.9	8.1	7.7	8.2	7.6	7.3	8.6
- Cypress VIMP Rough	51.8	29.8	27.8	33.7	33.0	16.1	37.8	22.2	20.0	17.8	17.1	17.0	27.0
- Pine Rough	17.3	10.7	10.0	9.9	9.2	8.8	7.9	7.9	7.8	7.1	7.4	7.1	9.3
Overall sales per direct person (\$000)	13.2	13.1	11.4	11.6	10.2	9.7	9.9	9.6	10.3	9.5	8.8	8.7	10.5
Average payroll & benefits cost (\$000/pers/mth)	-->												Average
	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Direct payroll/benefit costs (\$000):	-->												Total
- Solid Doors	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.6	3.8	4.0	4.2	37.2
- Flush Doors	2.0	2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	3.0	3.1	30.6
- Cypress VIMP Rough	1.0	1.0	1.0	1.0	1.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	18.0
- Pine Rough	1.6	1.8	2.0	2.2	2.4	2.6	2.8	3.0	3.2	3.4	3.6	3.8	32.4
Total direct payroll/benefit costs (\$000)	6.6	7.1	7.6	8.1	8.6	10.1	9.6	11.1	11.6	12.1	12.6	13.1	118.2
Other direct costs (\$000):	-->												Total
-Utilities (variable)	1	<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Repairs/maintenance (variable)	1	<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Subcontract	1	<<>>											
-Consumables A	1	<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Consumables B	1	<<>>											
-Consumables C	1	<<>>											
Total other direct costs (\$000)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	36.0
Allocation of other direct costs on the basis of direct payroll/benefit costs (or sales) (\$000):	-->												Total
- Solid Doors	0.9	0.9	0.9	1.0	1.0	0.9	1.0	0.9	0.9	0.9	1.0	1.0	11.3
- Flush Doors	0.9	0.9	0.9	0.9	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7	9.5
- Cypress VIMP Rough	0.5	0.4	0.4	0.4	0.3	0.6	0.3	0.5	0.5	0.5	0.5	0.5	5.4
- Pine Rough	0.7	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	0.9	0.9	9.8
Total cost of mat/pack & goods for resale, direct payroll/benefit and other direct costs to cover projected requirements (\$000):	-->												Total
- Solid Doors	71.9	61.0	71.1	56.4	79.1	68.4	78.0	87.4	91.2	86.3	94.1	95.2	940.1
- Flush Doors	109.6	65.7	76.5	51.8	56.8	63.6	70.3	74.9	73.4	81.1	78.2	77.8	879.8
- Cypress VIMP Rough	182.6	105.7	98.8	119.4	116.7	115.5	133.5	157.7	142.4	127.2	121.9	121.5	1,542.9
- Pine Rough	99.3	69.8	72.4	79.3	80.2	83.5	81.0	87.1	91.2	88.6	97.9	99.2	1,029.5
Total direct costs (\$000)	463.4	302.2	318.9	306.9	332.9	331.0	362.9	407.1	398.2	383.2	392.0	393.6	4,392.5
Direct cost per unit (per unit, or \$0.xx if units not used):	-->												Average
- Solid Doors	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
- Flush Doors	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
- Cypress VIMP Rough	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
- Pine Rough	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Finished goods inventory (\$000):	-->												Total
- Solid Doors	50.0	61.9	54.1	65.2	49.0	73.7	60.1	71.3	79.5	82.4	77.1	85.5	85.6
- Flush Doors	35.0	66.1	58.2	70.1	43.9	52.0	57.8	63.9	67.8	65.9	73.8	70.0	70.1
- Cypress VIMP Rough	15.0	88.9	95.8	88.2	109.6	104.5	103.8	122.2	144.1	126.3	113.1	109.3	109.3
- Pine Rough	25.0	67.7	62.1	65.5	72.0	72.2	75.5	72.6	79.1	82.4	79.4	89.1	89.3
Total finished goods inventory	125.0	284.7	270.2	289.0	274.5	302.4	297.2	330.0	370.5	357.0	343.5	353.9	354.3
Cost of sales (\$000):	-->												Total
- Solid Doors	60.0	68.9	60.1	72.5	54.4	82.0	66.8	79.2	88.4	91.6	85.7	95.0	904.5
- Flush Doors	78.5	73.6	64.7	78.0	48.7	57.7	64.2	71.0	75.4	73.2	82.1	77.7	844.8
- Cypress VIMP Rough	108.7	98.8	106.4	98.0	121.8	116.3	115.1	135.8	160.1	140.4	125.7	121.5	1,448.6
- Pine Rough	56.5	75.4	69.0	72.8	80.1	80.2	83.9	80.6	87.8	91.6	88.2	99.0	965.3
Total cost of sales (\$000)	303.8	316.7	300.2	321.3	304.9	336.2	330.1	366.7	411.7	396.8	381.6	393.2	4,163.2

Supplementary Data & Calculations:

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
MONTHLY ASSUMPTIONS No. 4 - OVERHEAD EXPENSES													
Set cells below to zero if not entering seasonal assumptions													
Seasonal index	-->	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	Total 16.0
Use the cells below to accommodate semi-variable and indirect operating costs													
Operational (indirect) expenses (\$000):													Tot/Avg
-Indirect labor (Persons)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
-Indirect payroll/benefits (\$000/pers/n)	-->	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
-Supervisory staff (Persons)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
-Supervisory payroll/benefits (\$000/pers/n)	X = 0 to 4 -->	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
-Repairs/maintenance (fixed)	1 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
-Cleaning	1 <<<>>												
-Utilities (fixed)	1 <<<>>												
-Miscellaneous indirect expense	1 <<<>>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total operational expenses (\$000)		5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	66.0
The variable descriptions in blue can be changed													
Selling & freight expenses (\$000):													Tot/Avg
-Freight expenses as % sales	2 <<<>>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
-Selling exps & comm's as % sale	1 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
-Sales & marketing staff (Persons)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
-Sales payroll/benefits (\$000/pers/mtl)	-->	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
-Freight expenses		8.7	9.4	8.7	9.8	9.5	10.6	11.9	11.5	11.0	11.4	11.4	125.2
-Selling expenses/commission	X = 0 to 4 -->	4.7	4.4	4.7	4.4	4.9	4.7	5.3	6.0	5.7	5.5	5.7	61.6
-Advertising & brochures	2 <<<>>	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24.0
-Travel expenses	2 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Public relations, exhibitions	2 <<<>>												
-Miscellaneous selling/freight	2 <<<>>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	6.0
Total selling & freight expenses (\$000)		18.4	18.7	18.4	19.1	19.4	20.4	22.2	22.4	21.8	21.9	22.1	246.8
The variable descriptions in blue can be changed													
Management/administration staff expenses:													Tot/Avg
-Clerical staff (Persons)	-->	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
-Clerical payroll/benefits (\$000/pers/n)	-->	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250
-Management staff (Persons)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
-Management payroll/benefits (\$000/pers/n)	-->	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500	1.500
Total management/admin staff expenses (\$000)		8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	102.0
The variable descriptions in blue can be changed													
Research & development													Tot/Avg
-Staff (Persons)	-->	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
-Staff payroll/benefits (\$000/pers/n)	X = 0 to 4 -->	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500
-Consultancy	1 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	21.0
-Materials	1 <<<>>												
Total research & development (\$000)		2.0	2.0	2.0	2.0	2.0	2.0	11.0	2.0	2.0	2.0	2.0	33.0
The variable descriptions in blue can be changed													
Administration expenses (\$000):													Total
-Office supplies etc.	1 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Mail, telephone, telex & fax	2 <<<>>	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	9.6
-Travel	2 <<<>>	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	60.0
-Pensions	2 <<<>>												
-Computer supplies etc.	2 <<<>>												
-Vehicle expenses	2 <<<>>												
-Other administration expenses	2 <<<>>												
Total administration expenses (\$000)		6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	81.6
The variable descriptions in blue can be changed													
Occupancy/general expenses (\$000):													Total
-Utilities	1 <<<>>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	6.0
-Rent & property taxes	2 <<<>>	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	6.0
-Professional fees & audit	1 <<<>>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	12.0
-Insurances	1 <<<>>												
-Other establish expenses A	1 <<<>>												
-Other establish expenses B	1 <<<>>												
Total occupancy/general expenses (\$000)		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24.0
Total overhead expenses (\$000)		43.1	43.5	43.2	43.9	44.2	45.2	56.0	47.2	46.6	46.7	46.9	553.4

Supplementary Data & Calculations:

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
MONTHLY ASSUMPTIONS No. 5 - FIXED ASSETS													
Land, buildings & improvements <<- Opening													
These values will be inserted into the monthly balance sheets													
Cost or valuation (\$000)	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0
Accumulated depreciation (\$000)	25.0	25.6	26.3	26.9	27.5	28.1	28.8	29.4	30.0	30.6	31.3	31.9	32.5
Depreciation rate (% pa)	3.0												
Base depreciation on cost (enter 0) or use double declining balance (enter 1)		Enter 0 or 1											
Depreciation for period (\$000)	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	7.5
Capital expenditure (\$000)													Total
Disposal of land, buildings & improvements (\$000): Set cells below to zero if no fixed asset sales in this category													
-Proceeds													Total
-Cost													Total
-Accumulated depreciation													Total
Plant, equipment & machinery <<- Opening													
These values will be inserted into the monthly balance sheets													
Cost or valuation (\$000)	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	350.0	450.0	430.0	
Accumulated depreciation (\$000)	35.0	40.3	45.4	50.5	55.5	60.4	65.2	70.0	74.6	79.2	83.7	88.2	84.2
Depreciation rate (% pa)	10.0												
Base depreciation on cost (enter 0) or use double declining balance (enter 1)	1.0	Enter 0 or 1											Total
Depreciation for period (\$000)	5.3	5.2	5.1	5.0	4.9	4.8	4.7	4.7	4.6	4.5	4.4	6.0	59.2
Capital expend excl lease (\$000)	2											100.0	100.0
New leases (\$000)													
Interest on new leases (\$000)													
Repayments on new leases (\$000)													
Disposal of plant, equipment & machinery (\$000): Set cells below to zero if no fixed asset sales in this category													
-Proceeds													50.0
-Cost													20.0
-Accumulated depreciation													10.0
Automobiles, vehicles etc. <<- Opening													
These values will be inserted into the monthly balance sheets													
Cost or valuation (\$000)	50.0	50.0	50.0	50.0	100.0	100.0	100.0	100.0	100.0	150.0	150.0	150.0	
Accumulated depreciation (\$000)	25.0	26.0	27.1	28.1	29.2	30.2	32.3	34.4	36.5	38.5	40.6	43.8	46.9
Depreciation rate (% pa)	25.0												
Base depreciation on cost (enter 0) or use double declining balance (enter 1)		Enter 0 or 1											Total
Depreciation for period (\$000)	1.0	1.0	1.0	1.0	1.0	2.1	2.1	2.1	2.1	2.1	3.1	3.1	21.9
Capital expend excl lease (\$000)	1											50.0	100.0
New leases (\$000)													
Interest on new leases (\$000)													
Repayments on new leases (\$000)													
Disposal of automobiles, vehicles etc. (\$000): Set cells below to zero if no fixed asset sales in this category													
-Proceeds													Total
-Cost													Total
-Accumulated depreciation													Total
Fixed Asset Summary													
Cost or valuation (\$000)	650.0	650.0	650.0	650.0	700.0	700.0	700.0	700.0	700.0	750.0	850.0	830.0	Total
Accumulated depreciation (\$000)	85.0	91.9	98.7	105.5	112.1	118.7	126.3	133.7	141.1	148.4	155.6	163.8	163.6
Depreciation for period (\$000)		6.9	6.8	6.7	6.7	6.6	7.5	7.5	7.4	7.3	7.2	8.2	88.6
Capital expenditure (\$000)					50.0					50.0	100.0		200.0
New leases (\$000)													Total
Interest on new leases (\$000)													Total
Repayments on new leases (\$000)													Total
Disposal of fixed assets (\$000):													
-Proceeds													50.0
-Cost													20.0
-Accumulated depreciation													10.0

Supplementary Data & Calculations:

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year	
MONTHLY ASSUMPTIONS No. 6 - FUNDING, INTEREST RATES & RELATED ITEMS														
Interest														
Interest rates (% pa):														
-Cash at bank	-->	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	Avg/Tot	4.0
-Short-term loans/Line of credit	-->	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	Total	13.5
-Longterm debt/notes	-->	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	Total	12.5
Int payable on 'other loans' (\$000)	-->												Total	
Debt & Loans														
Enter all increases and repayments as positive values														
Increases in longterm debt/notes (\$000)	-->			50.0						250.0			Total	300.0
Longterm debt/note repayments (\$000)	-->	25.0			25.0			25.0			25.0		Total	100.0
Increases in 'other loans' (\$000)	-->					125.0							Total	125.0
'Other loan' repayments (\$000)	-->									25.0			Total	25.0
Leases														
Set cells below to zero if no finance leases outstanding														
Leases from prior years (\$000):													Total	
-Interest expense	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			Total	45.0
-Repayments	-->	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0			Total	90.0
Allocation of Debt														
Opening values entered via opening balance sheet														
Total longterm debt/notes (\$000)	Opening	200.0	175.0	175.0	225.0	200.0	200.0	200.0	175.0	175.0	400.0	400.0	400.0	
Total 'other loans' (\$000)	Opening	50.0	50.0	50.0	50.0	50.0	50.0	175.0	175.0	175.0	150.0	150.0	150.0	
Total leases (\$000)	Opening	90.0	80.0	70.0	60.0	50.0	40.0	30.0	20.0	10.0				
On first use, set cells below to zero and revise later														
Proportions payable within one year:	Opening													
-Longterm debt/notes (as % total)	-->	50.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	25.0	
-Other loans (as % total)	-->	50.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	
Leases (as % total)	-->	100.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	
Various Items														
Miscellaneous income (\$000)	-->	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	Total	120.0
Operating lease payments (\$000)	-->	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	Total	66.0
Intangible asset amortization (\$000)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	Total	60.0
On first use, set cells below to zero and revise later														
Changes (+/-) in accrued expenses (\$00)	-->			(20.0)									Total	(20.0)
Changes (+/-) in prepaid expenses (\$000)	-->			(10.0)									Total	(10.0)
On first use, set cells below in range 20-40% and revise later														
Approximate % of total payroll costs relating to taxes & benefits for all staff (%)	-->	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0		
Stocks & Shares														
Proceeds of new stock issues (\$000)	-->		25.0					300.0					Total	325.0
No. of new shares issued (000s)	-->		15.0					100.0					Total	115.0
No of shares issued & fully-paid at opening balance sheet date (000s)	-->	500.0	<<<											
Tax & Dividends														
Effective federal/state tax rate for year (%)	-->	35.0	<<<											
X = 0 to 4														
Dividends for current year (\$000)	4	<<<>>												
* Set row to zeros for Ltd Co	-->													
* Set row to zeros for Ltd Co	-->													

Supplementary Data & Calculations:

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	
MONTHLY ASSUMPTIONS No. 8 - SALES & RELATED TAXES													
Specify descriptive term for sales or input/output tax: <input type="text" value="VAT"/> Press F9 to update Set cells below to zero if sales taxes (or other similar taxes) are not applicable e.g. enter "Sales Tax", "GST" for Goods & Services Tax, "VAT" for Value Added Tax etc.													
Average VAT rates on sales (%):													
- Solid Doors	-->	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	
- Flush Doors	-->	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	
- Cypress VIMP Rough	-->	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	
- Pine Rough	-->	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	
Total VAT on sales (\$000):													
- Solid Doors		16.0	17.6	15.2	18.4	13.6	20.8	16.8	20.0	22.4	23.2	21.6	24.0
- Flush Doors		16.0	17.6	15.2	18.4	11.3	13.4	15.0	16.6	17.7	17.2	19.3	18.2
- Cypress VIMP Rough		24.0	22.4	24.0	22.1	27.5	26.2	25.8	30.7	36.0	31.5	28.2	27.2
- Pine Rough		<u>13.6</u>	<u>16.8</u>	<u>15.2</u>	<u>16.0</u>	<u>17.6</u>	<u>17.6</u>	<u>18.4</u>	<u>17.6</u>	<u>19.2</u>	<u>20.0</u>	<u>19.2</u>	<u>21.6</u>
Total VAT on sales (\$000)		69.6	74.4	69.6	74.9	70.0	78.0	76.0	84.9	95.3	91.9	88.3	91.0
Calculate VAT on an invoice (enter 0) or cash-received (enter 1) basis ?													
	-->	<input type="text" value=""/>	Enter 0 or 1 Enter "1" for each payment month										
Mark months when VAT paid to State													
	-->	1	1	1	1	1	1	1	1	1	1	1	1
Average VAT rate for purchases of materials/packaging & goods (%)													
	-->	<input type="text" value=""/>											
Percent of all other non-payroll expenses (operating exs etc) subject to VAT (%)													
	-->	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Average VAT rate for non-payroll exs (%)													
	-->	<input type="text" value=""/>											
Total VAT on non-payroll expenses (\$000)													
	-->	<input type="text" value=""/>											
Percent of capital expenditure, lease repayments and interest subject to VAT (%)													
	-->	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0	80.0
Average VAT rate for these items (%)													
	-->	<input type="text" value=""/>											
VAT on capex & leases less disposals(\$000)													
	-->	<input type="text" value=""/>											

Supplementary Data & Calculations:

12 Months to end Nov	10-11 Year	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year	As % Sales	% Chge in Year
INCOME STATEMENTS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Sales:																
- Solid Doors	1,200.0	100.0	110.0	95.0	115.0	85.0	130.0	105.0	125.0	140.0	145.0	135.0	150.0	1,435.0	24	20
- Flush Doors	100.0	100.0	110.0	95.0	115.0	70.4	83.8	93.8	103.9	110.6	107.2	120.6	113.9	1,224.2	20	1,124
- Cypress VIMP Rough	1,400.0	150.0	140.0	150.0	138.0	172.0	164.0	161.0	192.0	225.0	197.0	176.0	170.0	2,035.0	34	45
- Pine Rough	1,000.0	85.0	105.0	95.0	100.0	110.0	110.0	115.0	110.0	120.0	125.0	120.0	135.0	1,330.0	22	33
Total sales	3,700.0	435.0	465.0	435.0	468.0	437.4	487.8	474.8	530.9	595.6	574.2	551.6	568.9	6,024.2	100	63
Cost of sales:																
-Materials/packaging/goods	850.0	297.5	306.1	290.2	309.7	294.3	322.9	318.6	354.0	396.6	381.1	366.5	377.2	4,014.6	67	372
-Direct labor	120.0	4.3	7.4	7.2	8.5	7.9	10.3	8.7	10.0	12.0	12.5	12.3	13.1	114.1	2	-5
-Other direct	30.0	2.0	3.1	2.8	3.1	2.7	3.0	2.7	2.7	3.1	3.1	2.9	3.0	34.4	1	15
Cost of sales	1,000.0	303.8	316.7	300.2	321.3	304.9	336.2	330.1	366.7	411.7	396.8	381.6	393.2	4,163.2	69	316
Gross margin	2,700.0	131.2	148.3	134.8	146.7	132.5	151.6	144.7	164.2	183.9	177.4	170.0	175.7	1,861.0	31	-31
Overhead expenses:																
-Operational (indirect)	150.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	66.0	1	-56
-Selling & freight	200.0	18.4	18.7	18.4	19.1	19.4	20.4	22.2	22.4	21.8	21.9	22.1	22.1	246.8	4	23
-Management/admin staff	215.0	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	102.0	2	-53
-Research & development	200.0	2.0	2.0	2.0	2.0	2.0	2.0	11.0	2.0	2.0	2.0	2.0	2.0	33.0	1	-84
-Administration	75.0	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	6.8	81.6	1	9
-Occupancy/general	150.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	24.0	0	-84
Bad debts	5.0	2.2	2.3	2.2	2.3	2.2	2.4	2.4	2.7	3.0	2.9	2.8	2.8	30.1	1	502
Depreciation	50.0	6.9	6.8	6.7	6.7	6.6	7.5	7.5	7.4	7.3	7.2	8.2	9.8	88.6	1	77
Operating lease payments	45.0	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	66.0	1	47
Total operating expenses	1,090.0	57.7	58.2	57.6	58.4	58.4	60.6	71.3	62.8	62.3	62.3	63.3	65.0	738.1	12	-32
Income from operations	1,610.0	73.5	90.2	77.2	88.2	74.0	90.9	73.4	101.5	121.6	115.2	106.6	110.7	1,123.0	19	-30
Other income/expenses:																
-Profit(loss) disposal of fixed assets													40.0	40.0	1	
-Intangible asset amortization		5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	60.0	1	
-Miscellaneous income	75.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	120.0	2	60
Total other income (expenses)	75.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	45.0	100.0	2	33
Earnings before interest & taxes	1,685.0	78.5	95.2	82.2	93.2	79.0	95.9	78.4	106.5	126.6	120.2	111.6	155.7	1,223.0	20	-27
Interest expense/income:																
-Interest expense	57.0	3.4	2.7	2.1	2.2	2.1	2.1	2.0	1.8	1.8	3.0	4.2	4.2	31.5	1	-45
-Lease interest expense	55.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	45.0	1	-18
-Interest income	2.0	0.6	0.5	0.4	0.6	0.8	1.1	2.0	2.6	3.0	3.8	4.4	4.9	24.7	0	1,134
Net interest expense (income)	110.0	7.9	7.2	6.7	6.6	6.3	5.9	5.0	4.2	3.9	(0.8)	(0.3)	(0.7)	51.8	1	-53
Net income before taxes	1,575.0	70.7	88.0	75.5	86.6	72.7	90.0	73.4	102.3	122.7	120.9	111.9	156.4	1,171.1	19	-26
Taxes	551.3	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	34.2	409.9	7	-26
Net income	1,023.8	36.5	53.8	41.3	52.5	38.6	55.8	39.2	68.1	88.6	86.8	77.8	122.2	761.2	13	-26
Dividends declared	300.0															-100
Transferred to reserves	723.8	36.5	53.8	41.3	52.5	38.6	55.8	39.2	68.1	88.6	86.8	77.8	122.2	761.2	13	5

12 Months to end Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
CASHFLOW PROJECTIONS													
ish receipts													
ish sales & accounts receivable (Note 1)	824.7	543.4	553.2	538.9	501.8	557.4	546.8	603.9	670.3	661.7	644.8	656.4	7,303.4
Proceeds of new stock issues		25.0					300.0						325.0
Increases in longterm debt/notes			50.0							250.0			300.0
Increases in other loans						125.0							125.0
Proceeds from disposals of fixed assets												50.0	50.0
VAT recovered from State													
Miscellaneous income received	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	120.0
Interest received	0.6	0.5	0.4	0.6	0.8	1.1	2.0	2.6	3.0	3.8	4.4	4.9	24.7
Total cash receipts	835.3	578.9	613.6	549.5	512.6	693.5	858.8	616.6	683.2	925.4	659.3	721.3	8,248.0
Cash payments													
Materials/goods accounts payable (Note 2)	710.9	357.3	390.5	299.2	318.6	316.0	345.8	385.0	381.5	369.8	375.8	376.7	4,627.1
Total direct cost payments (Note 3)	6.3	10.1	10.6	11.1	11.6	13.0	12.6	14.0	14.6	15.1	15.6	16.1	150.5
Total overhead expense payments (Note 4)	26.2	33.7	43.2	43.9	44.2	45.2	47.0	56.2	46.6	46.7	46.9	46.9	526.6
Taxes paid													
Dividends paid													
Lease repayments	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0				90.0
Lease interest expense	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0				45.0
Total capital expend. payments (Note 5)			45.0				50.0				50.0		145.0
Operating lease payments	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	66.0
Longterm debt/note repayments	25.0			25.0			25.0			25.0			100.0
Other loan repayments										25.0			25.0
VAT paid on o/h expense, capex etc. inputs													
VAT paid to State	17.0	69.3	74.0	69.3	74.5	69.6	77.7	75.6	84.5	94.8	91.4	87.8	885.5
Opening payroll taxes/benefits paid	25.0												25.0
Changes in prepaid expenses	(10.0)												(10.0)
Changes in accrued expenses		20.0											20.0
Interest paid	3.4	2.7	2.1	2.2	2.1	2.1	2.0	1.8	1.8	3.0	4.2	4.2	31.5
Total cash payments	824.2	513.6	585.9	471.1	471.4	516.4	530.6	553.1	549.5	584.9	589.3	537.2	6,727.2
Net cashflow	11.1	65.4	27.8	78.3	41.2	177.1	328.3	63.4	133.7	340.5	69.9	184.1	1,520.8
Opening net cash balance (deficit)	29.0												
Closing net cash balance (deficit)	40.1	105.4	133.2	211.6	252.7	429.8	758.1	821.5	955.3	1,295.8	1,365.7	1,549.8	1,549.8
Notes on Cashflow Projections													
Note 1													
Cash sales & accounts receivable (Net of bad debts):													
- Solid Doors	103.9	120.0	110.8	131.3	100.4	146.6	121.5	143.4	158.7	165.9	156.7	172.0	1,631.2
- Flush Doors	103.9	120.0	110.8	131.3	85.2	97.7	106.3	118.2	126.3	123.7	137.8	131.5	1,392.9
- Cypress VIMP Rough	138.5	146.6	172.0	160.9	192.1	187.2	187.4	214.8	248.5	230.0	211.2	200.0	2,289.2
- Pine Rough	78.5	106.8	109.6	115.4	124.1	125.8	131.6	127.5	136.8	142.0	139.1	152.9	1,490.1
Opening accounts receivable	400.0	50.0	50.0										500.0
	824.7	543.4	553.2	538.9	501.8	557.4	546.8	603.9	670.3	661.7	644.8	656.4	7,303.4
Note 2													
Materials/goods accounts payable:													
- Solid Doors	55.2	53.2	66.9	54.8	72.3	64.4	73.0	80.3	85.1	82.3	88.1	89.1	864.7
- Flush Doors	85.4	60.9	75.7	52.5	55.1	58.5	64.9	69.9	69.8	76.2	74.3	74.4	817.5
- Cypress VIMP Rough	163.0	102.9	102.0	116.3	114.6	113.3	130.4	151.9	140.2	127.0	120.7	119.3	1,501.7
- Pine Rough	87.3	65.3	70.9	75.5	76.6	79.8	77.5	82.8	86.5	84.4	92.7	93.9	973.2
Opening accounts payable	320.0	75.0	75.0										470.0
	710.9	357.3	390.5	299.2	318.6	316.0	345.8	385.0	381.5	369.8	375.8	376.7	4,627.1
Note 3													
Direct cost payments:													
-Wages and salaries (direct)	6.3	6.7	7.2	7.7	8.2	9.6	9.1	10.5	11.0	11.5	12.0	12.4	112.3
-Payroll taxes/benefits (direct)		0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	5.3
-Utilities (variable)		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Repairs/maintenance (variable)		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Subcontract													
-Consumables A		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Consumables B													
-Consumables C													
	6.3	10.1	10.6	11.1	11.6	13.0	12.6	14.0	14.6	15.1	15.6	16.1	150.5
Note 4													
Overhead expense payments:													
-Repairs/maintenance (fixed)		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Cleaning													
-Utilities (fixed)													
-Miscellaneous indirect expenses		2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	22.0
-Wages and salaries (expenses)	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	12.8	153.9
-Payroll taxes/benefits (expenses)		0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	7.4
-Freight	8.7	9.4	8.7	9.8	9.5	10.6	11.9	11.5	11.0	11.4	11.4	11.4	125.2
-Selling exs/commissions	4.7	4.4	4.7	4.4	4.9	4.7	5.3	6.0	5.7	5.5	5.7	5.7	61.6
-Advertising & brochures			2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	20.0
-Travel expenses			1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	10.0
-Public relations, exhibitions													
-Miscellaneous selling/freight			0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.0
-Office supplies etc.		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Mail, telephone, telex & fax			0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	8.0
-Travel			5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	50.0
-Pensions													
-Computer supplies etc.													
-Vehicle expenses													
-Other administration expenses													
-Consultancy		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	20.0
-Materials													
-Utilities		0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.5
-Rent & property taxes			0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	5.0
-Professional fees & audit		1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	11.0
-Insurances													
-Other establish expenses A													
-Other establish expenses B													
	26.2	33.7	43.2	43.9	44.2	45.2	47.0	56.2	46.6	46.7	46.9	46.9	526.6
Note 5													
Capital expenditure payments:													
-Land, buildings & improvements													
-Plant, equipment & machinery													
-Automobiles, vehicles etc.						50.0					50.0		100.0
Opening capex creditor payments			45.0										45.0
			45.0			50.0					50.0		145.0

12 Months to end Nov	2011 Nov	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov
BALANCE SHEETS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS													
Current assets:													
Cash at bank	159.0	120.0	108.4	136.2	214.6	255.7	432.8	761.1	824.5	958.3	1,298.8	1,368.7	1,552.8
Accounts receivable	500.0	177.3	170.6	119.5	120.7	123.8	129.4	130.6	139.5	156.6	157.7	149.5	149.8
Inventory	245.0	404.7	390.2	409.0	394.5	422.4	417.2	450.0	490.5	477.0	463.5	473.9	474.3
Prepaid expenses	125.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0
VAT recoverable	3.0												
Total current assets	1,032.0	817.0	784.3	779.6	844.8	916.9	1,094.5	1,456.7	1,569.4	1,706.9	2,035.0	2,107.1	2,291.9
Fixed assets:													
Fixed assets (gross)	650.0	650.0	650.0	650.0	650.0	700.0	700.0	700.0	700.0	700.0	750.0	850.0	830.0
Less: Accumulated depreciation	85.0	91.9	98.7	105.5	112.1	118.7	126.3	133.7	141.1	148.4	155.6	163.8	163.6
Net fixed assets	565.0	558.1	551.3	544.5	537.9	581.3	573.7	566.3	558.9	551.6	594.4	686.2	666.4
Net intangible assets	137.0	132.0	127.0	122.0	117.0	112.0	107.0	102.0	97.0	92.0	87.0	82.0	77.0
Total assets	1,734.0	1,507.1	1,462.5	1,446.1	1,499.6	1,610.2	1,775.2	2,125.0	2,225.4	2,350.5	2,716.4	2,875.4	3,035.3
LIABILITIES													
Current liabilities:													
Accounts payable	479.0	241.2	185.8	103.7	100.3	103.0	104.9	118.3	117.4	119.5	117.8	118.5	119.3
Capital expenditure creditors	165.0	165.0	165.0	120.0	120.0	170.0	120.0	120.0	120.0	120.0	170.0	220.0	220.0
Accrued expenses	30.0	30.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Payroll taxes/benefits	25.0	4.0	4.0	4.1	4.1	4.1	4.2	4.2	4.2	4.3	4.3	4.3	4.3
Dividends													
Taxes		34.2	68.3	102.5	136.6	170.8	204.9	239.1	273.3	307.4	341.6	375.7	409.9
VAT payable	20.0	69.3	74.0	69.3	74.5	69.6	77.7	75.6	84.5	94.8	91.4	87.8	90.6
Short-term loans/line of credit	130.0	76.9											
Current portion of longterm liabilities:													
Longterm debt/notes	100.0	43.8	43.8	56.3	50.0	50.0	50.0	43.8	43.8	43.8	100.0	100.0	100.0
Other loans	25.0	10.0	10.0	10.0	10.0	10.0	35.0	35.0	35.0	35.0	30.0	30.0	30.0
Lease debt	90.0	24.0	21.0	18.0	15.0	12.0	9.0	6.0	3.0				
Total current liabilities	1,064.0	698.3	581.9	493.7	520.5	599.5	615.7	651.9	691.2	734.7	865.1	946.3	984.0
Longterm liabilities:													
Longterm debt/notes	100.0	131.3	131.3	168.8	150.0	150.0	150.0	131.3	131.3	131.3	300.0	300.0	300.0
Other loans	25.0	40.0	40.0	40.0	40.0	40.0	140.0	140.0	140.0	140.0	120.0	120.0	120.0
Lease debt		56.0	49.0	42.0	35.0	28.0	21.0	14.0	7.0				
Total longterm liabilities	125.0	227.3	220.3	250.8	225.0	218.0	311.0	285.3	278.3	271.3	420.0	420.0	420.0
Equity:													
Equity investments	850.0	850.0	875.0	875.0	875.0	875.0	875.0	1,175.0	1,175.0	1,175.0	1,175.0	1,175.0	1,175.0
Retained earnings	(305.0)	(268.5)	(214.7)	(173.3)	(120.9)	(82.3)	(26.4)	12.8	80.9	169.5	256.3	334.0	456.2
Total owners' equity	545.0	581.5	660.3	701.7	754.1	792.7	848.6	1,187.8	1,255.9	1,344.5	1,431.3	1,509.0	1,631.2
Total liabilities & equity	1,734.0	1,507.1	1,462.5	1,446.1	1,499.6	1,610.2	1,775.2	2,125.0	2,225.3	2,350.5	2,716.4	2,875.3	3,035.3
CHECK balance sheets balance >>>	0.000	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005	0.005

12 Months to end Nov	10-11 Year	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year
PERFORMANCE REVIEW (Annualized averages where appropriate)														
Net debt (cash surplus) as percentage of owners' equity	41	31	18	20	5	-1	-7	-35	-38	-45	-52	-54	-61	-61
Current asset ratio (times)	1.0	1.2	1.3	1.6	1.6	1.5	1.8	2.2	2.3	2.3	2.4	2.2	2.3	2.3
Accounts receivable (days annu	49	12	11	8	8	9	8	8	8	8	8	8	8	9
Inventory (days annualized sale:	24	28	26	29	26	29	26	29	28	24	25	26	25	27
Accounts payable (days annuali:	84	20	15	9	8	9	8	9	8	8	8	8	8	10
As % sales:														
-Materials/packaging & goods	23.0	68.4	65.8	66.7	66.2	67.3	66.2	67.1	66.7	66.6	66.4	66.4	66.3	66.6
-Direct labor	3.2	1.0	1.6	1.6	1.8	1.8	2.1	1.8	1.9	2.0	2.2	2.2	2.3	1.9
-Gross margin	73.0	30.2	31.9	31.0	31.3	30.3	31.1	30.5	30.9	30.9	30.9	30.8	30.9	30.9
-Research & development	5.4	0.5	0.4	0.5	0.4	0.5	0.4	2.3	0.4	0.3	0.3	0.4	0.4	0.5
-Selling/freight expenses	5.4	4.2	4.0	4.2	4.1	4.4	4.2	4.7	4.2	3.7	3.8	4.0	3.9	4.1
-Income from operations	43.5	16.9	19.4	17.7	18.9	16.9	18.6	15.5	19.1	20.4	20.1	19.3	19.5	18.6
-Net income before taxes	42.6	16.2	18.9	17.4	18.5	16.6	18.5	15.5	19.3	20.6	21.1	20.3	27.5	19.4
Gross margin breakdown (\$000):														
- Solid Doors		40.0	41.1	34.9	42.5	30.6	48.0	38.2	45.8	51.6	53.4	49.3	55.0	530.5
- Flush Doors		21.5	36.4	30.3	37.0	21.7	26.1	29.6	32.9	35.2	34.0	38.5	36.2	379.4
- Cypress VIMP Rough		41.3	41.2	43.6	40.0	50.2	47.7	45.9	56.2	64.9	56.6	50.3	48.5	586.4
- Pine Rough		<u>28.5</u>	<u>29.6</u>	<u>26.0</u>	<u>27.2</u>	<u>29.9</u>	<u>29.8</u>	<u>31.1</u>	<u>29.4</u>	<u>32.2</u>	<u>33.4</u>	<u>31.8</u>	<u>36.0</u>	<u>364.7</u>
Overall gross profit (\$000)		131.2	148.3	134.8	146.7	132.5	151.6	144.7	164.2	183.9	177.4	170.0	175.7	1861.0
Gross margin as % sales:														
- Solid Doors		40.0	37.4	36.8	36.9	36.1	36.9	36.4	36.6	36.9	36.8	36.5	36.7	37.0
- Flush Doors		21.5	33.1	31.9	32.1	30.8	31.1	31.5	31.7	31.9	31.7	31.9	31.7	31.0
- Cypress VIMP Rough		27.5	29.4	29.0	29.0	29.2	29.1	28.5	29.3	28.8	28.7	28.6	28.5	28.8
- Pine Rough		33.5	28.2	27.3	27.2	27.2	27.1	27.0	26.7	26.8	26.7	26.5	26.6	27.4
Average number of employees (headcoun	59.0	61.5	64.0	66.5	69.0	76.5	74.0	81.5	84.0	86.5	89.0	91.5	75.3	
Annualized sales per employee (\$000)	88.5	90.7	81.6	84.5	76.1	76.5	77.0	78.2	85.1	79.7	74.4	74.6	80.6	

12 Months to end Nov	10-11 Year	2011 Dec	2012 Jan	2012 Feb	2012 Mar	2012 Apr	2012 May	2012 Jun	2012 Jul	2012 Aug	2012 Sep	2012 Oct	2012 Nov	11-12 Year	As % Sales	% Chge in Year
SUMMARY	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000		
Sales	3,700.0	435.0	465.0	435.0	468.0	437.4	487.8	474.8	530.9	595.6	574.2	551.6	568.9	6,024.2	100	63
Cost of sales	<u>1,000.0</u>	<u>303.8</u>	<u>316.7</u>	<u>300.2</u>	<u>321.3</u>	<u>304.9</u>	<u>336.2</u>	<u>330.1</u>	<u>366.7</u>	<u>411.7</u>	<u>396.8</u>	<u>381.6</u>	<u>393.2</u>	<u>4,163.2</u>	<u>69</u>	<u>316</u>
Gross margin	2,700.0	131.2	148.3	134.8	146.7	132.5	151.6	144.7	164.2	183.9	177.4	170.0	175.7	1,861.0	31	-31
Expenses, interest, deprn etc	<u>1,125.0</u>	<u>60.6</u>	<u>60.3</u>	<u>59.3</u>	<u>60.1</u>	<u>59.7</u>	<u>61.6</u>	<u>71.3</u>	<u>62.0</u>	<u>61.2</u>	<u>56.5</u>	<u>58.0</u>	<u>19.3</u>	<u>689.9</u>	<u>11</u>	<u>-39</u>
Net income before taxes	1,575.0	70.7	88.0	75.5	86.6	72.7	90.0	73.4	102.3	122.7	120.9	111.9	156.4	1,171.1	19	-26
Net cashflow	NA	11.1	65.4	27.8	78.3	41.2	177.1	328.3	63.4	133.7	340.5	69.9	184.1	1,520.8		NA
Cash at bank	159.0	120.0	108.4	136.2	214.6	255.7	432.8	761.1	824.5	958.3	1,298.8	1,368.7	1,552.8	1,552.8		877
Short-term loans/line of credit	130.0	76.9														-100
Assets																
Current assets	1,032.0	817.0	784.3	779.6	844.8	916.9	1,094.5	1,456.7	1,569.4	1,706.9	2,035.0	2,107.1	2,291.9	2,291.9		122
Net fixed & intangible assets	<u>702.0</u>	<u>690.1</u>	<u>678.3</u>	<u>666.5</u>	<u>654.9</u>	<u>693.3</u>	<u>680.7</u>	<u>668.3</u>	<u>655.9</u>	<u>643.6</u>	<u>681.4</u>	<u>768.2</u>	<u>743.4</u>	<u>743.4</u>		6
Total assets	1,734.0	1,507.1	1,462.5	1,446.1	1,499.6	1,610.2	1,775.2	2,125.0	2,225.4	2,350.5	2,716.4	2,875.4	3,035.3	3,035.3		75
Liabilities																
Current liabilities	1,064.0	698.3	581.9	493.7	520.5	599.5	615.7	651.9	691.2	734.7	865.1	946.3	984.0	984.0		-8
Longterm liabilities	125.0	227.3	220.3	250.8	225.0	218.0	311.0	285.3	278.3	271.3	420.0	420.0	420.0	420.0		236
Owners' equity	<u>545.0</u>	<u>581.5</u>	<u>660.3</u>	<u>701.7</u>	<u>754.1</u>	<u>792.7</u>	<u>848.6</u>	<u>1,187.8</u>	<u>1,255.9</u>	<u>1,344.5</u>	<u>1,431.3</u>	<u>1,509.0</u>	<u>1,631.2</u>	<u>1,631.2</u>		199
Total liabilities & equity	1,734.0	1,507.1	1,462.5	1,446.1	1,499.6	1,610.2	1,775.2	2,125.0	2,225.3	2,350.5	2,716.4	2,875.3	3,035.3	3,035.3		75

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	
ASSUMPTIONS FOR 2nd & 3rd YEARS AND PROJECTIONS FOR 1st YEAR - SALES & COSTS													
Sales (000s units or \$000):													
- Solid Doors	->>	305	330	370	430	365	370	375	360	500	550	525	560
- Flush Doors	->>	305	269	308	342	369	318	402	436	452	402	469	452
- Cypress VIMP Rough	->>	440	474	578	543	182	157	198	215	223	198	231	223
- Pine Rough	->>	285	320	345	380	325	265	270	285	275	300	325	350
- New products/services	->>	->>	->>	->>	->>			10	30	40	60	70	85
Net selling prices (\$/unit):													
- Solid Doors	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Flush Doors	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Cypress VIMP Rough	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Pine Rough	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- New products/services	->>	->>	->>	->>	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sales (\$000):													
- Solid Doors		305	330	370	430	365	370	375	360	500	550	525	560
- Flush Doors		305	269	308	342	369	318	402	436	452	402	469	452
- Cypress VIMP Rough		440	474	578	543	182	157	198	215	223	198	231	223
- Pine Rough		285	320	345	380	325	265	270	285	275	300	325	350
- New products/services								10	30	40	60	70	85
Total sales (\$000)		1,335	1,393	1,601	1,695	1,241	1,110	1,255	1,326	1,490	1,510	1,620	1,670
Mats/pack & goods for resale as % sales:													
- Solid Doors	->>	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	69.0	60.0
- Flush Doors	->>	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
- Cypress VIMP Rough	->>	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
- Pine Rough	->>	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
- New products/services	->>	->>	->>	->>	->>	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Direct costs as % sales:													
-Total mats/pack & goods for resale		67.0	66.5	66.8	66.4	65.6	65.2	65.1	64.8	64.2	63.6	66.7	63.5
-Labor	->>	1.4	1.9	1.9	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
-Other	->>	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.7
Overhead expenses (\$000):													
-Operational (indirect)	->>	17	17	17	17	17	17	17	17	20	20	20	20
-Selling & freight	->>	55	59	66	66	55	55	60	66	66	66	66	66
-Management/admin staff	->>	26	26	26	26	30	30	30	30	32	32	32	32
-Research & development	->>	6	6	15	6	8	8	8	8	8	8	8	8
-Administration	->>	20	20	20	20	20	20	20	20	20	20	20	20
-Occupancy/general	->>	6	6	6	6	8	8	8	8	8	8	8	8
Total overhead expenses (\$000)		130	133	150	140	138	138	143	149	154	154	154	154

Supplementary Data & Calculations:

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	
ASSUMPTIONS FOR 2nd & 3rd YEARS AND PROJECTIONS FOR 1st YEAR - SALES & COSTS													
Sales (000s units or \$000):													
- Solid Doors	->>	305	330	370	430	365	370	375	360	500	550	525	560
- Flush Doors	->>	305	269	308	342	369	318	402	436	452	402	469	452
- Cypress VIMP Rough	->>	440	474	578	543	182	157	198	215	223	198	231	223
- Pine Rough	->>	285	320	345	380	325	265	270	285	275	300	325	350
- New products/services	->>	->>	->>	->>	->>			10	30	40	60	70	85
Net selling prices (\$/unit):													
- Solid Doors	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Flush Doors	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Cypress VIMP Rough	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- Pine Rough	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
- New products/services	->>	->>	->>	->>	->>	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Sales (\$000):													
- Solid Doors		305	330	370	430	365	370	375	360	500	550	525	560
- Flush Doors		305	269	308	342	369	318	402	436	452	402	469	452
- Cypress VIMP Rough		440	474	578	543	182	157	198	215	223	198	231	223
- Pine Rough		285	320	345	380	325	265	270	285	275	300	325	350
- New products/services								10	30	40	60	70	85
Total sales (\$000)		1,335	1,393	1,601	1,695	1,241	1,110	1,255	1,326	1,490	1,510	1,620	1,670
Matts/pack & goods for resale as % sales:													
- Solid Doors	->>	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	60.0	69.0	60.0
- Flush Doors	->>	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0	65.0
- Cypress VIMP Rough	->>	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
- Pine Rough	->>	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0	70.0
- New products/services	->>	->>	->>	->>	->>	35.0	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Direct costs as % sales:													
-Total matts/pack & goods for resale		67.0	66.5	66.8	66.4	65.6	65.2	65.1	64.8	64.2	63.6	66.7	63.5
-Labor	->>	1.4	1.9	1.9	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
-Other	->>	0.6	0.6	0.5	0.5	0.5	0.5	0.6	0.6	0.5	0.6	0.7	0.7
Overhead expenses (\$000):													
-Operational (indirect)	->>	17	17	17	17	17	17	17	20	20	20	20	20
-Selling & freight	->>	55	59	66	66	55	55	60	66	66	66	66	66
-Management/admin staff	->>	26	26	26	26	30	30	30	30	32	32	32	32
-Research & development	->>	6	6	15	6	8	8	8	8	8	8	8	8
-Administration	->>	20	20	20	20	20	20	20	20	20	20	20	20
-Occupancy/general	->>	6	6	6	6	8	8	8	8	8	8	8	8
Total overhead expenses (\$000)		130	133	150	140	138	138	143	149	154	154	154	154

Supplementary Data & Calculations:

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	
ASSUMPTIONS FOR 2nd & 3rd YEARS AND PROJECTIONS FOR 1st YEAR - OTHER ITEMS													
Various Items													
Annualised sales per employee (\$)	-->	83	73	76	74	45	46	47	48	49	50	51	52
Operating lease payments (\$000)	-->	17	17	17	17	18	18	18	18	18	18	18	18
Miscellaneous income (\$000)	-->	30	30	30	30	30	30	30	30	30	30	30	30
Bad debts (\$000)	-->	7	7	8	8	9	9	9	13	14	15	16	
Intangible asset amortization (\$000)	-->	15	15	15	15	2							
Dividends declared (\$000)	-->									50		75	
Dividend payments (\$000)	-->										50		
Tax													
Effective federal/state tax rate (%)	-->	-->	-->	-->	35.0	-->	-->	-->	7.0	-->	-->	-->	8.0
Federal/state tax payments (\$000)	-->					-	409	-	-	-	370	-	-
Fixed Assets													
Closing fixed assets at cost (\$000)	650	650	700	700	830	830	865	1,115	1,090	1,090	1,315	1,295	1,595
Opening accumulated depreciation (\$000)	85	105	126	148	164	184	196	224	236	236	263	296	294
Composite depreciation rate (% pa)	-->	12.6	12.5	12.6	13.1	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Capital expend - excl leases (\$000)	-->		50		150			250			225		300
Capital expend payments (\$000)	-->	45	50		50			250			50	175	
Disposals of fixed assets (\$000):													
-Proceeds	-->				50		75		75			70	
-Cost	-->				20		25		25			20	
-Accumulated depreciation	-->				10		10		15			35	
Stocks & Shares													
Proceeds of new stock issues (\$00)	-->	25		300			200						
No of new shares issued (000s)	-->	15		100			50						
Debt & Loans													
Increases in longterm debt/notes (\$)	-->	50			250						200		
Longterm debt/note repayments (\$)	-->	25	25	25	25	25	25	25	25	25	25	25	25
Increase in 'other loans' (\$000)	-->		125				150						
'Other loan' repayments (\$000)	-->				25				25				25
Interest													
Interest rates (% pa):													
-Cash at bank *	-->	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
-Short-term loans/line of credit *	-->	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5	13.5
-Longterm debt/notes *	-->	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Int payable on 'other loans' (\$000)	-->						1	1	1	1	1	1	1
Leases													
New lease obligations (\$000)	-->					60							
Lease interest expense (\$000)	-->	15	15	15		10	10	10	10	10	10	10	10
Lease repayments (\$000)	-->	30	30	30		10	10	10	10	10	10	10	10
Allocation of Debt													
Total longterm debt/notes outstanding (\$000)	225	200	175	400	375	350	325	300	275	450	425	400	
Total 'other loans' outstanding (\$000)	50	175	175	150	150	300	300	300	275	275	275	250	
Total lease obligations outstanding (\$000)	60	30			-10	40	30	20	10		-10	-20	
Proportions payable within one year:													
-Longterm debt/notes (as % total)	-->	25	25	25	25	50	50	50	50	50	50	50	50
-'Other loans' (as % total) *	-->	20	20	20	20	33	33	33	33	33	33	33	33
-Leases (as % total) *	-->	30	30			30	30	30	30	30	30	30	30
Working Capital													
Accounts receivable (days sales)	-->	8	8	9	8	9	9	9	8	8	8	8	8
Inventory (days sales)	-->	28	27	27	26	28	28	28	28	28	28	28	28
Accounts payable (days costs & ex)	-->	9	9	9	8	10	10	10	10	12	12	12	12
Level of prepaid expenses (\$000)	125	115	115	115	115	115	115	115	130	130	130	130	
Level of accrued expenses (\$000)	30	10	10	10	10	10	10	10	10	10	10	10	
VAT													
Effective VAT rate for sales (%) *	-->	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Effective VAT rate on inputs (%) *	-->												

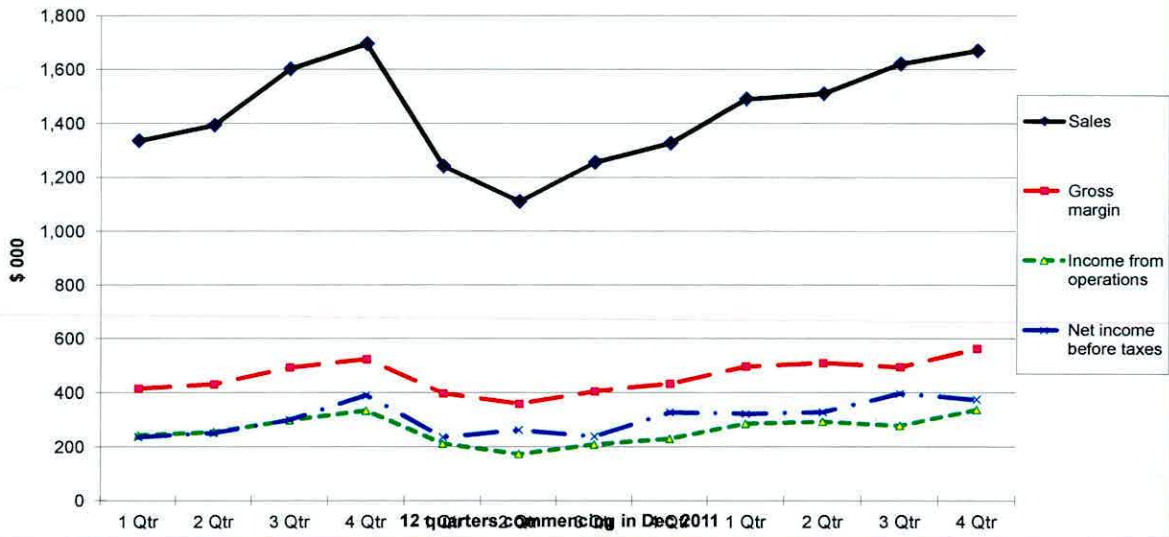
For items marked * in the Quarterly Assumptions, the rates entered for the fourth quarter of the third year are also used for the fourth & fifth years.

Supplementary Data & Calculations:

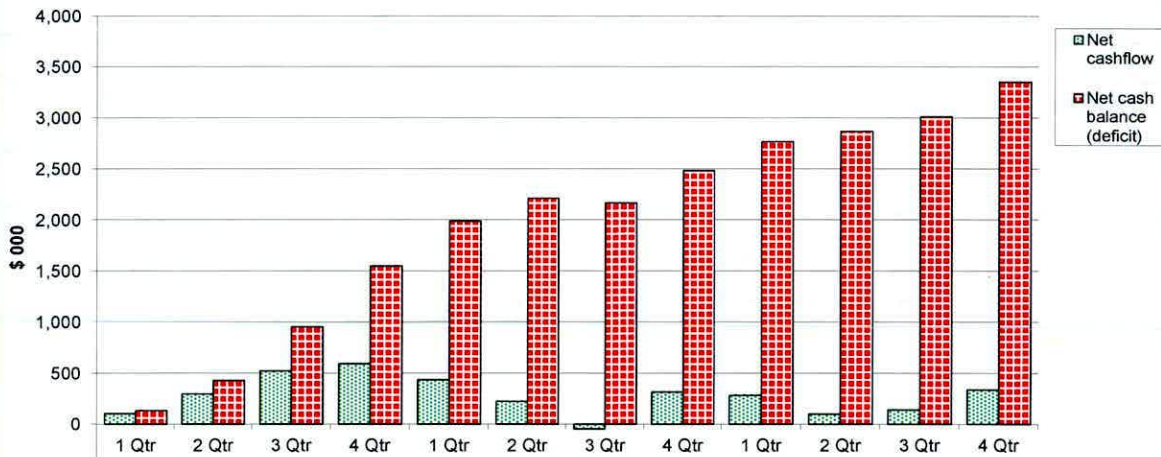
Change this description via Enter Model Title option in *Tools/Setup menu

Quarterly Charts

Sokombao Industries Ltd. Fig. 9 - Sales & Income



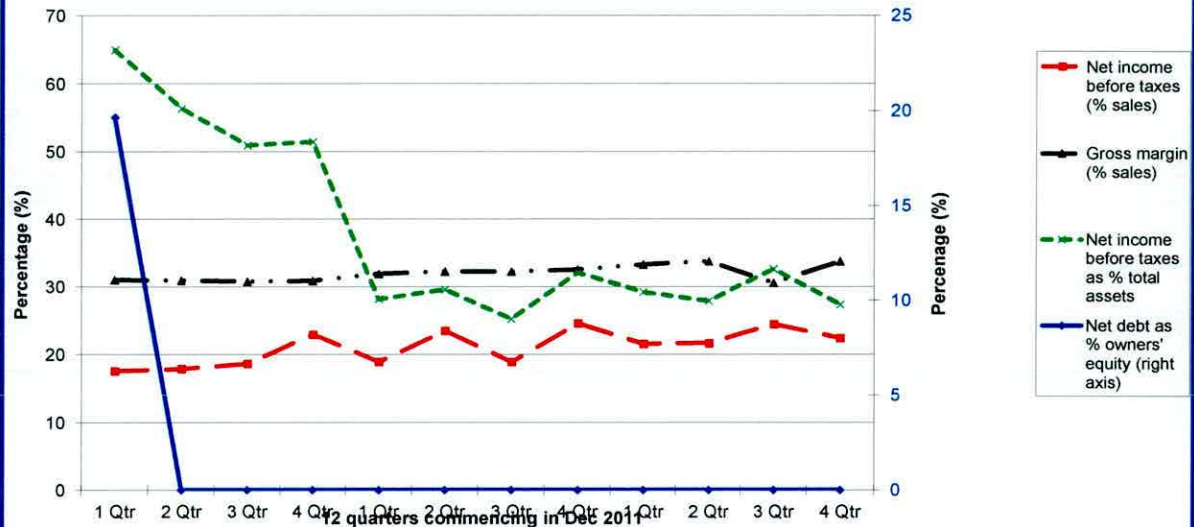
Sokombao Industries Ltd. Fig. 10 - Cashflow



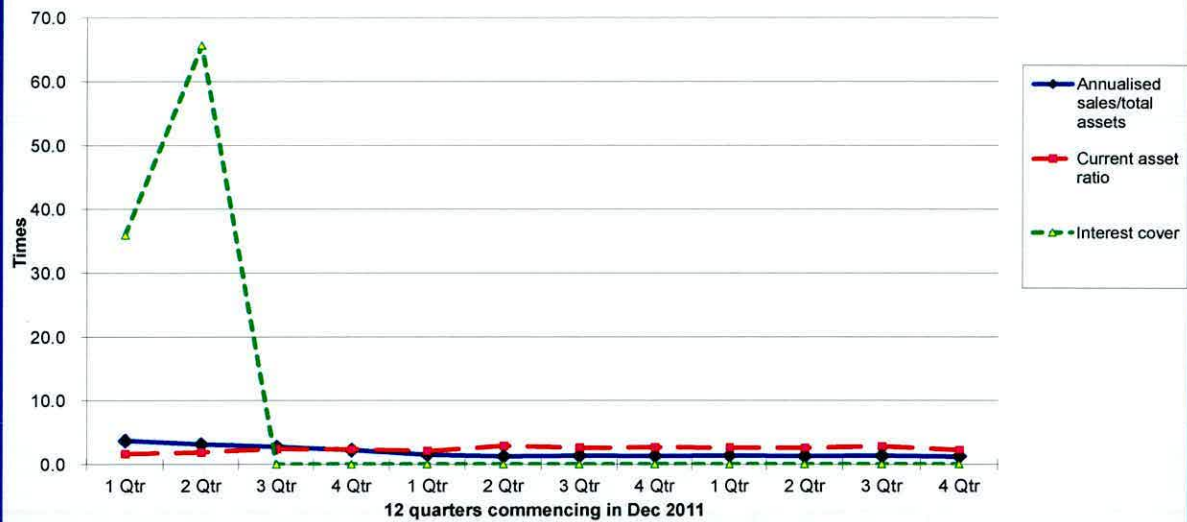
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12 quarters commencing in Dec 2011

Sokombao Industries Ltd. Fig. 11 - Key Indicators



Sokombao Industries Ltd. Fig. 12 - Financial Ratios



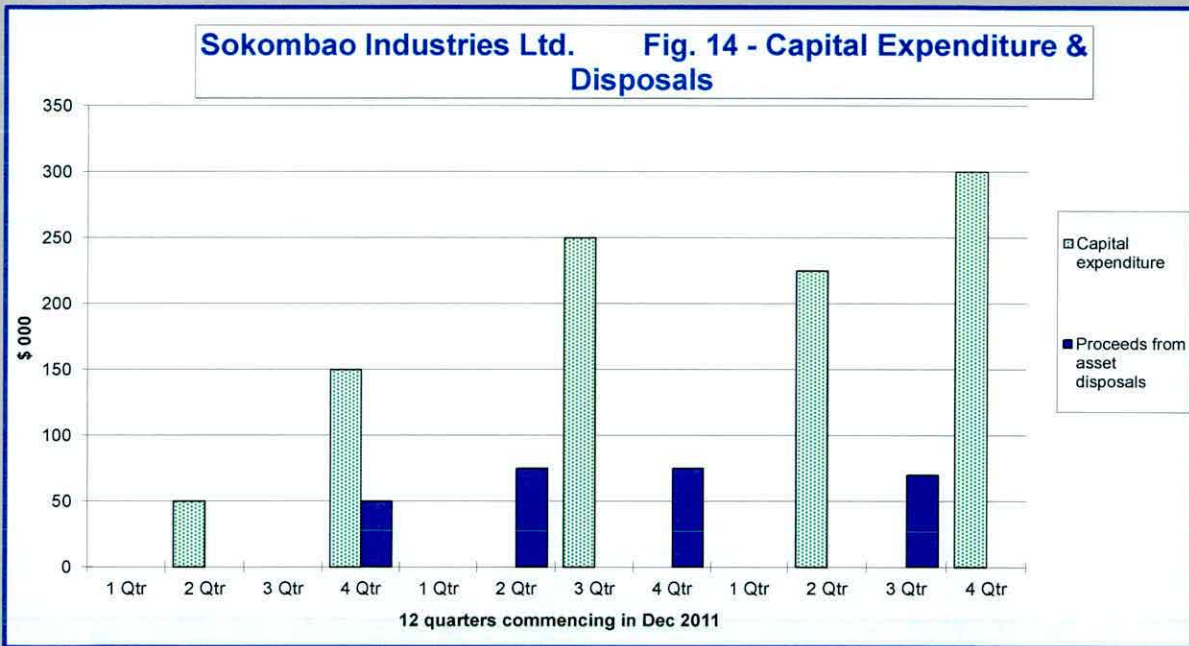
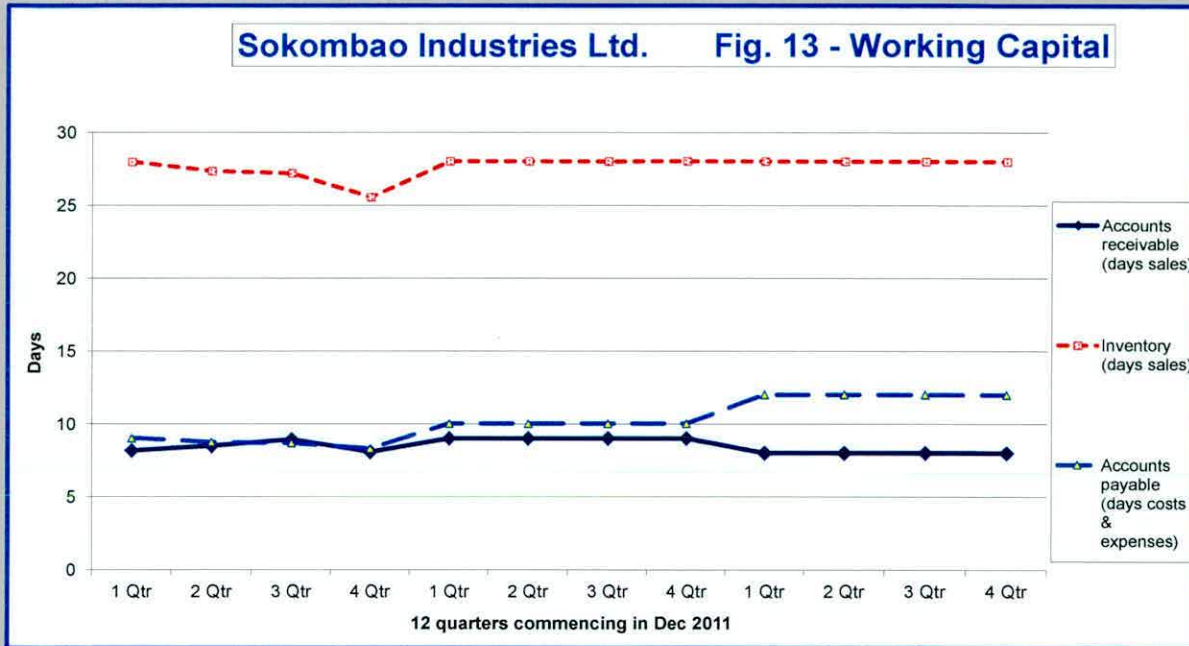


Chart Values - These items will not be printed

Sokombao Industries Ltd. Fig. 9 - Sales & Income		1 Qtr		2 Qtr		3 Qtr		4 Qtr	
Sales	1335	1393	1601	1695	1241	1110	1255	1326	1490
Gross	414	431	493	523	396	358	405	432	496
Incom	241	253	296	332	210	172	207	228	284
Net ir	234	249	298	389	234	260	237	326	320

12 quarters commencing in Dec 2011
\$ 000

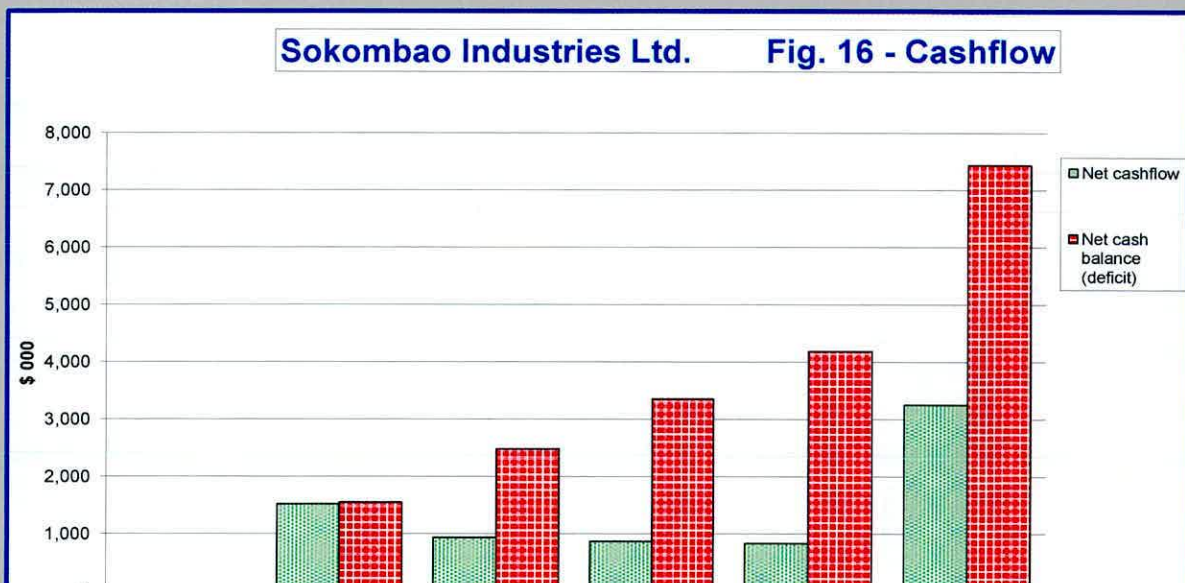
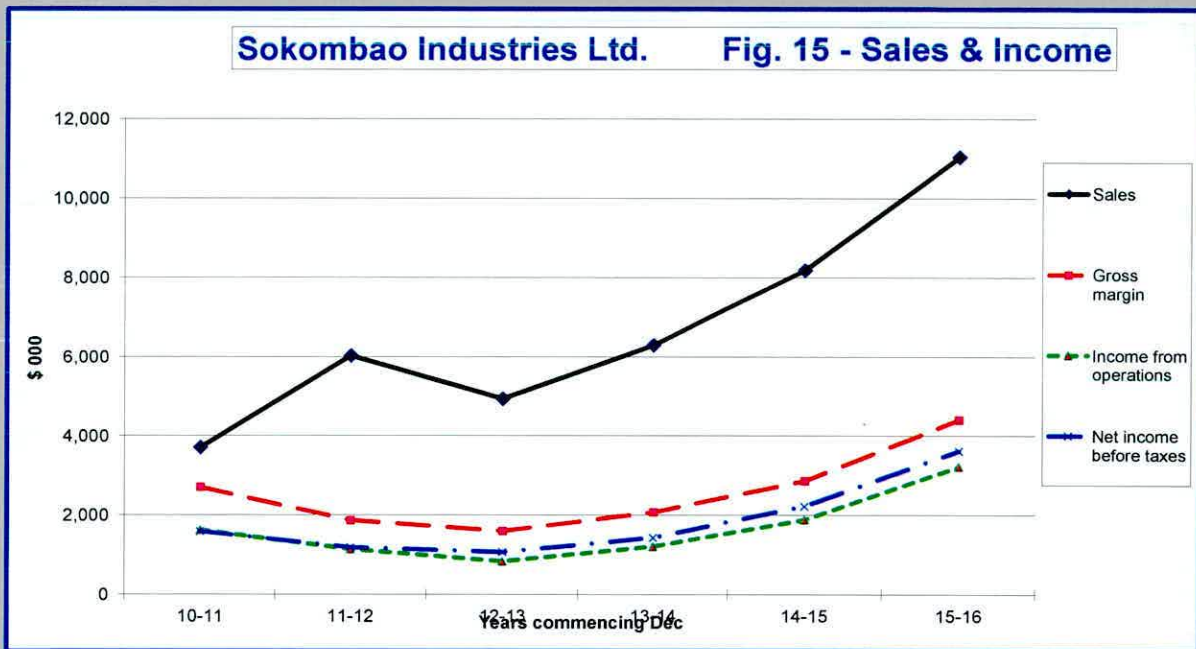
Sokombao Industries Ltd. Fig. 10 - Cashflow		1 Qtr		2 Qtr		3 Qtr		4 Qtr	
Net c	104.2	296.6	525.4	594.6	437.6	224.8	-44.7	316.1	284.6
Net c	133.2	429.8	955.3	1549.8	1987.4	2212.2	2167.5	2483.7	2768.2

12 quarters commencing in Dec 2011
\$ 000

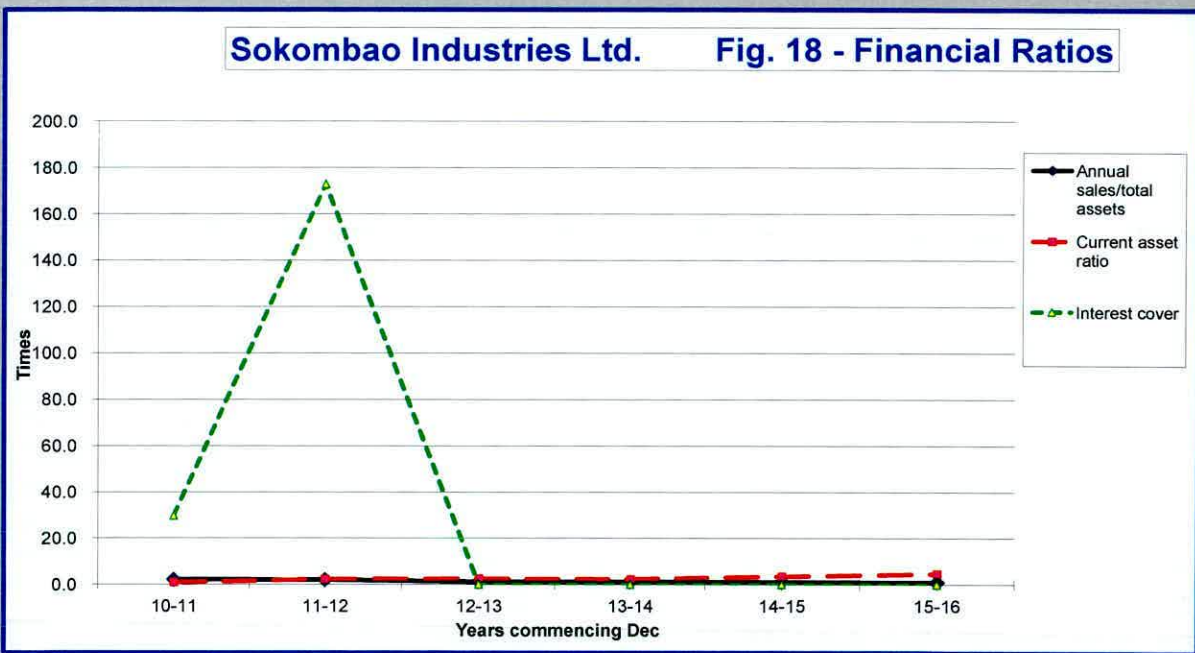
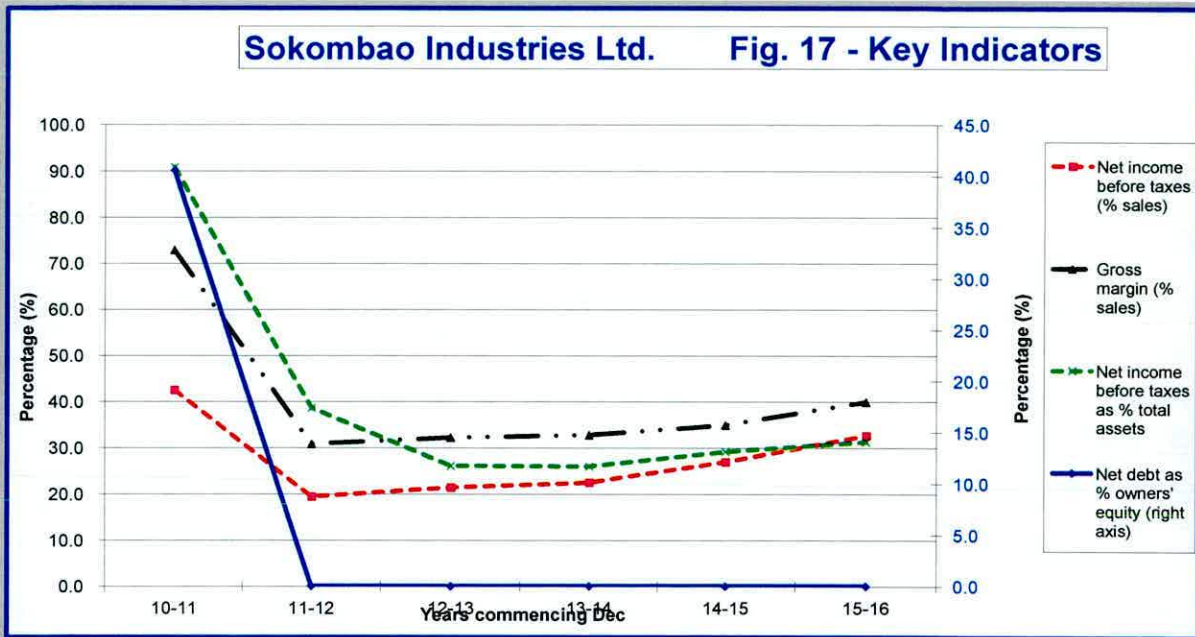
Sokombao Industries Ltd.		Fig. 11 - Key Indicators											
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	
Net d	19.6	na	na	na	na	na	na	na	na	na	na	na	
Net ir	17.5	17.9	18.6	23.0	18.9	23.4	18.9	24.6	21.5	21.6	24.4	22.4	
Gros	31.0	30.9	30.8	30.9	31.9	32.3	32.3	32.6	33.3	33.8	30.6	33.8	
Net ir	64.9	56.3	50.8	51.3	28.1	29.6	25.2	32.1	29.2	27.9	32.6	27.3	
12 quarters commencing in Dec 2011													
\$ 000													
Sokombao Industries Ltd.		Fig. 12 - Financial Ratios											
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	
Annu.	3.7	3.1	2.7	2.2	1.5	1.3	1.3	1.3	1.4	1.3	1.3	1.2	
Curre	1.7	1.9	2.4	2.3	2.1	2.9	2.6	2.7	2.6	2.6	2.9	2.3	
Intere	35.9	65.6	na	na	na	na	na	na	na	na	na	na	
12 quarters commencing in Dec 2011													
Times													
Sokombao Industries Ltd.		Fig. 13 - Working Capital											
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	
Accoi	8.2	8.5	8.9	8.1	9.0	9.0	9.0	9.0	8.0	8.0	8.0	8.0	
Inven	28.0	27.3	27.2	25.5	28.0	28.0	28.0	28.0	28.0	28.0	28.0	28.0	
Accoi	9.0	8.7	8.7	8.3	10.0	10.0	10.0	10.0	12.0	12.0	12.0	12.0	
12 quarters commencing in Dec 2011													
Sokombao Industries Ltd.		Fig. 14 - Capital Expenditure & Disposals											
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr	
Capit		50.0		150.0			250.0			225.0		300.0	
Proce				50.0		75.0		75.0			70.0		
12 quarters commencing in Dec 2011													
\$ 000													

Years ending Nov	12-13	13-14	14-15	15-16
ASSUMPTIONS FOR 4TH & 5TH YEARS				
Sales & Costs				
Change in sales over previous year (% ->>	25.0	27.5	30.0	35.0
Gross margin (%) ->>	32.3	32.8	35.0	40.0
Overhead expenses (\$000) ->>	568	616	700	850
Annual sales per employee (\$000) ->>	47	51	55	60
Various Items				
Operating lease payments (\$000) ->>	72	72	80	90
Miscellaneous income (\$000) ->>	120	120	200	230
Bad debts (\$000) ->>	36	58	40	45
Intangible asset amortization (\$000) ->>	2			
Dividends declared (\$000) ->>		125	150	140
Effective federal/state tax rate (%) ->>	7.0	8.0	8.0	8.0
Fixed Assets				
Capital expend - excl leases (\$000) ->>	250	525	350	300
Disposals of fixed assets (\$000):				
-Proceeds ->>	150	70	100	50
-Cost ->>	50	20	35	30
-Accumulated depreciation ->>	25	35	20	15
Stocks & Shares				
Proceeds of new stock issues (\$000) ->>	200		300	400
Number of new shares issued (000s) ->>	50		80	100
Debt & Leases				
Change in longterm debt/notes (\$000) ->>	-100	100		
Change in 'other loans' (\$000) ->>	150	-50	50	50
Amount payable on 'other loans' (\$000) ->>	3	4	10	10
New lease obligations (\$000) ->>	60		100	100
Lease interest (\$000) ->>	40	40	30	30
Lease repayments (\$000) ->>	40	40	50	50
Working Capital				
Accounts receivable (days sales) ->>	10	8	45	45
Inventory (days sales) ->>	30	30	30	30
Accounts payable (days costs & exper ->>	11	12	32	32

Annual Charts







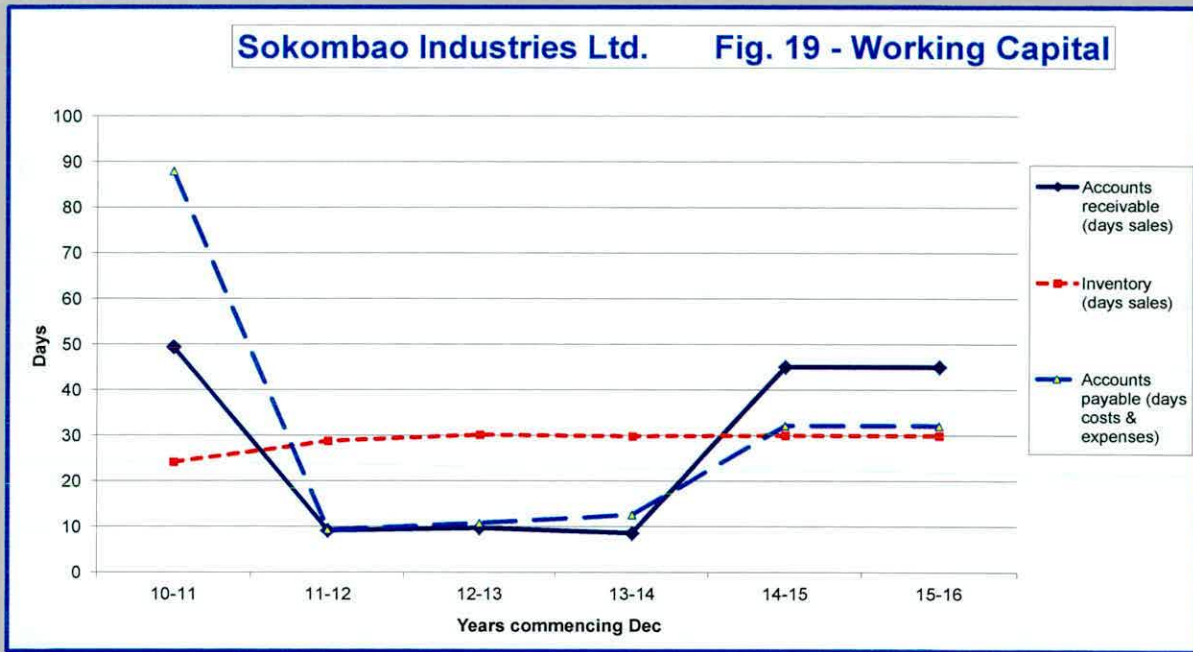


Chart Values - These items will not be printed

Sokombao Industries Ltd. Fig. 15 - Sales & Income

	10-11	11-12	12-13	13-14	14-15	15-16
Sales	3700	6024	4932	6290	8177	11039
Gross	2700	1861	1591	2066	2862	4416
Incom	1610	1123	817	1188	1862	3211
Net ir	1575	1171	1057	1417	2206	3615

Sokombao Industries Ltd. Fig. 16 - Cashflow

	10-11	11-12	12-13	13-14	14-15	15-16
Net cashflow		1521	934	868	833	3252
Net c	29	1550	2484	3352	4185	7437

Sokombao Industries Ltd. Fig. 17 - Key Indicators

	10-11	11-12	12-13	13-14	14-15	15-16
Net d	40.6	na	na	na	na	na
Net ir	42.6	19.4	21.4	22.5	27.0	32.7
Gross	73.0	30.9	32.3	32.8	35.0	40.0
Net ir	90.8	38.6	26.0	25.9	29.1	31.2

Sokombao Industries Ltd. Fig. 18 - Financial Ratios

	10-11	11-12	12-13	13-14	14-15	15-16
Annu.	2.1	2.0	1.2	1.1	1.1	1.0
Curre	1.0	2.3	2.7	2.3	3.6	4.9
Intere	29.6	172.7	na	na	na	na

Sokombao Industries Ltd. Fig. 19 - Working Capital

	10-11	11-12	12-13	13-14	14-15	15-16
Accoi	49.3	9.1	9.7	8.5	45.0	45.0
Inven	24.2	28.7	30.1	29.7	30.0	30.0
Accoi	87.9	9.2	10.7	12.5	32.0	32.0

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	10-11 Year	11-12 Year	12-13 Year	13-14 Year	14-15 Year	15-16 Year
INCOME STATEMENTS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sales	1,335	1,393	1,601	1,695	1,241	1,110	1,255	1,326	1,490	1,510	1,620	1,670	3,700	6,024	4,932	6,290	8,177	11,039
Cost of sales	921	962	1,108	1,172	845	752	850	894	994	1,000	1,125	1,106	1,000	4,163	3,341	4,224	5,315	6,623
Gross margin	414	431	493	523	396	358	405	432	496	510	495	564	2,700	1,861	1,591	2,066	2,862	4,416
Overhead expenses	130	133	150	140	138	138	143	149	154	154	154	154	990	553	568	616	700	850
Bad debts	7	7	8	8	9	9	9	9	13	14	15	16	5	30	36	58	40	45
Depreciation	20	21	22	25	21	22	28	27	27	33	32	40	50	89	98	132	180	220
Operating lease payments	17	17	17	17	18	18	18	18	18	18	18	18	45	66	72	72	80	90
Total operating expenses	174	178	196	191	186	187	198	203	212	219	219	228	1,090	738	774	878	1,000	1,205
Income from operations	241	253	296	332	210	172	207	228	284	291	276	336	1,610	1,123	817	1,188	1,862	3,211
Other income/expenses:																		
-Profit (loss) fixed asset disposals				40		60		65			85			40	125	85	85	35
-Intangible asset amortization	15	15	15	15	2									60	2			
-Miscellaneous income	30	30	30	30	30	30	30	30	30	30	30	30	75	120	120	120	200	230
Total other income (expenses)	15	15	15	55	28	90	30	95	30	30	115	30	75	100	243	205	285	265
Earnings before interest/taxes	256	268	311	387	238	262	237	323	314	321	391	366	1,685	1,223	1,060	1,393	2,147	3,476
Interest expense/income:																		
-Interest expense	8	6	6	11	12	12	12	11	10	12	15	14	57	31	48	51	60	60
-Lease interest expense	15	15	15		10	10	10	10	10	10	10	10	55	45	40	40	30	30
-Interest income	1	3	8	13	18	21	22	23	26	28	29	32	2	25	84	115	149	229
Net interest expense (income)	22	19	13	-2	4	1	0	-2	-6	-6	-5	-8	110	52	4	-24	-59	-139
Net income before taxes	234	249	298	389	234	260	237	326	320	327	396	374	1,575	1,171	1,057	1,417	2,206	3,615
Taxes	82	87	104	136	82	91	83	114	112	115	140	132	551	409	370	498	176	289
Net income	152	162	194	253	152	169	154	212	208	212	256	242	1,024	762	687	919	2,029	3,326
Dividends declared										50		75	300			125	150	140
Transferred to reserves	152	162	194	253	152	169	154	212	208	162	256	167	724	762	687	794	1,879	3,186

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	11-12 Year	12-13 Year	13-14 Year	14-15 Year	15-16 Year
CASHFLOW STATEMENTS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating activities																	
Net income before taxes	234	249	298	389	234	260	237	326	320	327	396	374	1,171	1,057	1,417	2,206	3,615
Taxes paid						-409				-370				-409	-370	-499	-176
Profit (loss) fixed asset disposal				-40		-60		-65			-85		-40	-125	-85	-85	-35
Non-cash items:																	
Depreciation	20	21	22	25	21	22	28	27	27	33	32	40	89	98	132	180	220
Intangible asset amortization	15	15	15	15	2								60	2			
Changes in operating assets & liabilities:																	
Inventory	-164	-8	-60	3	93	40	-44	-22	-50	-6	-34	-15	-229	67	-106	-160	-235
Accounts receivable	381	-10	-27	7	27	13	-14	-7	0	-2	-10	-4	350	19	-16	-862	-353
Accounts payable	-375	1	15	-0	-12	-10	11	6	37	1	16	-2	-360	-5	51	362	128
Prepaid & accrued expenses	-10								-15				-10		-15		
Payroll taxes/benefits	-24	0	0	0									-24				
VAT adjustment	52	8	17	-4	107	-21	23	11	26	3	17	8	74	120	54	61	114
Net cash provided by operations	129	277	280	395	473	-165	240	276	345	-14	334	400	1,081	824	1,063	1,203	3,277
Investing activities																	
Purchases of fixed assets	-45	-50		-50			-250			-50	-175		-145	-250	-225	-695	-325
Disposals of fixed assets				50		75		75			70		50	150	70	100	50
Net cash provided by investing	-45	-50				75	-250	75		-50	-105		-95	-100	-155	-595	-275
Financing activities																	
Issue of stock	25		300			200							325	200		300	400
Dividends paid																	
New long-term loans & debt/notes	50	125		250		150				200			425	150	-50	-75	-150
Repayments of long-term loans & debt/notes	-25	-25	-25	-50	-25	-25	-25	-25	-50	-25	-25	-50	-125	-100	-150	50	50
Lease repayments	-30	-30	-30		-10	-10	-10	-10	-10	-10	-10	-10	-90	-40	-40	-50	-50
Net cash provided by financing	20	70	245	200	-35	315	-35	-35	-60	165	-85	-60	535	210	-40	225	250
Increase (decrease) in cash	104	297	525	595	438	225	-45	316	285	101	144	340	1,521	934	868	833	3,252
Closing net cash balance (deficit)	133	430	955	1,550	1,987	2,212	2,168	2,484	2,768	2,869	3,012	3,352	1,550	2,484	3,352	4,185	7,437

Years ending Nov	10-11 Year	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	10-11 Year	11-12 Year	12-13 Year	13-14 Year	14-15 Year	15-16 Year
BALANCE SHEETS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS																			
Current assets:																			
Cash at bank	159	133	430	955	1,550	1,987	2,212	2,168	2,484	2,768	2,869	3,012	3,352	159	1,550	2,484	3,352	4,185	7,437
Accounts receivable	500	119	129	157	150	122	109	124	131	131	132	142	146	500	150	131	146	1,008	1,361
Inventory	245	409	417	477	474	381	341	385	407	457	463	497	512	245	474	407	512	672	907
Prepaid expenses	125	115	115	115	115	115	115	115	115	130	130	130	130	125	115	115	130	130	130
VAT recoverable	3													3					
Total current assets	1,032	777	1,091	1,704	2,289	2,606	2,777	2,791	3,136	3,486	3,595	3,781	4,141	1,032	2,289	3,136	4,141	5,995	9,836
Net fixed assets	565	545	574	552	666	646	669	891	854	827	1,019	1,001	1,262	565	666	854	1,262	1,516	1,682
Net intangible assets	137	122	107	92	77	75	75	75	75	75	75	75	75	137	77	75	75	75	75
Total assets	1,734	1,443	1,772	2,347	3,032	3,326	3,521	3,758	4,065	4,388	4,688	4,858	5,478	1,734	3,032	4,065	5,478	7,587	11,593
LIABILITIES																			
Current liabilities:																			
Accounts payable	479	104	105	120	119	108	98	109	114	151	152	168	166	479	119	114	166	527	655
Capital expenditure creditors	165	120	120	120	220	220	220	220	220	220	395	220	520	165	220	220	520	175	150
Accrued expenses	30	10	10	10	10	10	10	10	10	10	10	10	10	30	10	10	10	10	10
Payroll taxes/benefits	25	1	1	1	1	1	1	1	1	1	1	1	1	25	1	1	1	1	1
Dividends											50		75				75	150	140
Taxes		82	169	273	409	491	173	256	370	482	227	367	499		409	370	499	176	289
VAT payable	20	69	78	95	91	197	176	199	211	236	239	257	265	20	91	211	265	325	440
Short-term loans/line of credit	130													130					
Current portion of longterm liabilities:																			
Longterm debt/notes	100	56	50	44	100	188	175	163	150	138	225	213	200	100	100	150	200	200	200
Other loans	25	10	35	35	30	50	99	99	99	91	91	91	83	25	30	99	83	99	116
Lease debt	90	18	9			-3	12	9	6	3		-3	-6	90		6	-6	9	24
Total current liabilities	1,064	470	577	697	980	1,261	964	1,066	1,181	1,332	1,390	1,324	1,812	1,064	980	1,181	1,812	1,674	2,025
Longterm liabilities:																			
Longterm debt/notes	100	169	150	131	300	188	175	163	150	138	225	213	200	100	300	150	200	200	200
Other loans	25	40	140	140	120	101	201	201	201	184	184	184	168	25	120	201	168	201	235
Lease debt		42	21			-7	28	21	14	7		-7	-14			14	-14	21	56
Total longterm liabilities	125	251	311	271	420	281	404	385	365	329	409	390	354	125	420	365	354	422	491
Equity:																			
Equity investments	850	875	875	1,175	1,175	1,175	1,375	1,375	1,375	1,375	1,375	1,375	1,375	850	1,175	1,375	1,375	1,675	2,075
Retained earnings	-305	-153	10	204	457	609	778	932	1,144	1,352	1,514	1,770	1,937	-305	457	1,144	1,938	3,817	7,003
Total owners' equity	545	722	885	1,379	1,632	1,784	2,153	2,307	2,519	2,727	2,889	3,145	3,312	545	1,632	2,519	3,313	5,492	9,078
Total liabilities & equity	1,734	1,443	1,772	2,347	3,032	3,326	3,521	3,758	4,065	4,388	4,688	4,858	5,478	1,734	3,032	4,065	5,479	7,588	11,594
CHECK balance sheets balance ->	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.00	0.000	0.000	0.000	0.000	0.000	0.000	0.000	-1.000	-1.000	-1.000

Years ending Nov	11-12 1 Qtr	11-12 2 Qtr	11-12 3 Qtr	11-12 4 Qtr	12-13 1 Qtr	12-13 2 Qtr	12-13 3 Qtr	12-13 4 Qtr	13-14 1 Qtr	13-14 2 Qtr	13-14 3 Qtr	13-14 4 Qtr	10-11 Year	11-12 Year	12-13 Year	13-14 Year	14-15 Year	15-16 Year
PERFORMANCE REVIEW	(Annualized where appropriate)																	
As % total sales:																		
-Gross margin	31.0	30.9	30.8	30.9	31.9	32.3	32.3	32.6	33.3	33.8	30.6	33.8	73.0	30.9	32.3	32.8	35.0	40.0
-Income from operations	18.0	18.2	18.5	19.6	17.0	15.5	16.5	17.2	19.1	19.3	17.0	20.1	43.5	18.6	16.6	18.9	22.8	29.1
-Net income before taxes	17.5	17.9	18.6	23.0	18.9	23.4	18.9	24.6	21.5	21.6	24.4	22.4	42.6	19.4	21.4	22.5	27.0	32.7
-Research & development	0.4	0.4	0.9	0.4	0.6	0.7	0.6	0.6	0.5	0.5	0.5	0.5	5.4	0.5	0.6	0.5	na	na
-Selling/freight expenses	4.2	4.2	4.1	3.9	4.4	5.0	4.8	5.0	4.4	4.4	4.1	4.0	5.4	4.1	4.8	4.2	na	na
Projected sales as % breakeven	239	243	251	274	213	192	205	212	234	233	226	248	248	252	206	235	286	367
Headcount	64	77	84	92	110	97	107	111	122	121	127	128	-	92	111	128	149	184
Changes over previous year (%):																		
-Sales	-	-	-	-	-7	-20	-22	-22	20	36	29	26	-	63	-18	28	30	35
-Net income before taxes	-	-	-	-	-0	4	-21	-16	37	26	67	15	-	-26	-10	34	56	64
-Transfers to reserves	-	-	-	-	-0	4	-21	-16	37	-4	66	-21	-	5	-10	16	137	70
-Owner's equity	-	-	-	-	147	143	67	54	53	34	36	31	-	199	54	32	66	65
-Dividends per share	-	-	-	-	-	-	-	-	-	-	-	-	-	na	na	na	7	-18
-Earnings per share	-	-	-	-	-	-	-	-	-	-	-	-	-	-33	-22	29	108	45
Net income before taxes/total assets (%)	64.9	56.3	50.8	51.3	28.1	29.6	25.2	32.1	29.2	27.9	32.6	27.3	90.8	38.6	26.0	25.9	29.1	31.2
Return on owners' equity (% pa)	84.3	73.4	56.4	62.1	34.1	31.4	26.7	33.6	30.6	29.3	32.5	29.3	187.8	46.7	27.3	27.7	36.9	36.6
Annual sales/total assets (times)	3.7	3.1	2.7	2.2	1.5	1.3	1.3	1.3	1.4	1.3	1.3	1.2	2.1	2.0	1.2	1.1	1.1	1.0
Annual sales/net fixed assets (times)	9.8	9.7	11.6	10.2	7.7	6.6	5.6	6.2	7.2	5.9	6.5	5.3	6.5	9.0	5.8	5.0	5.4	6.6
Net debt as percentage of owners' equity	20	na	na	na	na	na	na	na	na	na	na	na	41	na	na	na	na	na
Interest cover (times)	35.9	65.6	na	na	na	na	na	na	na	na	na	na	29.6	172.7	na	na	na	na
Current asset ratio (times)	1.7	1.9	2.4	2.3	2.1	2.9	2.6	2.7	2.6	2.6	2.9	2.3	1.0	2.3	2.7	2.3	3.6	4.9
Accounts receivable (days sales)	8	8	9	8	9	9	9	9	8	8	8	8	49	9	10	8	45	45
Inventory (days sales)	28	27	27	26	28	28	28	28	28	28	28	28	24	29	30	30	30	30
Accounts payable (days costs & expens)	9	9	9	8	10	10	10	10	12	12	12	12	88	9	11	12	32	32
Cumulative issued shares (000s)	515	515	615	615	615	665	665	665	665	665	665	665	500	615	665	665	745	845
Net assets per share (\$)	1.40	1.72	2.24	2.65	2.90	3.24	3.47	3.79	4.10	4.34	4.73	4.98	1.09	2.65	3.79	4.98	7.37	10.74
Earnings per share (\$)	-	-	-	-	-	-	-	-	-	-	-	-	2.05	1.37	1.07	1.38	2.88	4.18
Dividend per share (\$)	-	-	-	-	-	-	-	-	-	-	-	-	0.60	-	-	0.19	0.20	0.17
Dividend cover (times)	-	-	-	-	-	-	-	-	-	-	-	-	3.4	na	na	7.4	13.5	23.8

Quik-Plan Assumptions

- 1.
- 2.
- 3.
- 4.

Quik-Plan Assumptions Report

Year in which to start projections	2011	Enter as 4 digits - like 200X
Month for start of the projections	12	Enter month number - between 1 to 12
Currency unit	000	Enter '000 (thousands - note the ' before 000), Mln (millions) or Bn (billions)
Currency symbol	US\$	Enter up to 3 characters as label and press F9 to update the units below

Assumptions for First Year

Variables	Values	Units (Press F9 to Update)	Guidance
Average monthly sales	420.0	US\$000s	Enter sales value net of all sales taxes and discounts.
Desired average finished inventory	90.0	% of sales	Express as % average monthly sales. Set to zero for a distribution or service business.
Cost of materials/goods	41.0	As % sales	} Set to zero for a labor-only service business. These can refer to } purchases/inventory for resale if a distribution business.
Target materials/goods inventory	195.0	US\$000s	
Average monthly direct costs	110.0	US\$000s	May be zero in case of a distribution business.
Average monthly overhead expenses	100.0	US\$000s	Exclude depreciation & interest.
Opening total cost of fixed assets	1,300.0	US\$000s	Use cost at the start date of projections, not the depreciated value.
Accumulated opening depreciation	350.0	US\$000s	Use value at the start day of projections.
Average depreciation rate	8.0	% p.a.	Use approximate weighted-average rate covering all fixed assets.
Planned capital expenditure for year	175.0	US\$000s	
Interest rate for cash balances	6.0	% p.a.	Use approximate weighted-average rate.
Interest rate for all debt/notes	12.0	% p.a.	Use approximate weighted-average rate.
Opening cash balance (deficit)	(100.0)	US\$000s	If deficit (e.g. short-term loan or line of credit), enter minus value.
Opening longterm debt/notes	450.0	US\$000s	Combine value of all outstanding long-term debt/loans/notes etc.
Net change in longterm debt/notes in yr	125.0	US\$000s	Use + for a net increase and - for a net reduction during the year.
Opening accounts receivable	700.0	US\$000s	As at start date of projections. Exclude expected bad debts.
Opening accounts payable	500.0	US\$000s	As at start date of projections. Include any other planned payments.
Average credit given on sales	61	Days sales	Use estimate which takes any cash sales into account.
Average credit taken for materials/goods	46	Days sales	Estimate should take account of any suppliers which give no credit.
Expected federal/state tax rate	35.0	%	Use the effective, rather than standard, rate.
Planned dividend for year	50.0	US\$000s	Indicate dividends declared.
Opening number of shares	100.0	000s	Indicate issued shares only.
Proceeds of new stock issues	100.0	US\$000s	Specify proceeds net of all fund-raising costs.
Number of new shares issued	12.0	000s	This number will be added to the opening number of shares.

Assumptions for Following Years

Variables	2nd Yr	3-5 Yrs (Enter annual averages)	
% annual change - sales	5.0	10.0	% change over previous year. Allow for volume or price changes.
Cost of materials/goods	42.0	43.0	As % sales. This should be consistent with % used for the first year.
% annual change - direct costs	4.0	7.0	} % changes over previous year. Take account of any changes in } sales volumes, cost inflation and productivity.
% annual change - overhead expenses	5.0	9.0	
Planned capital expenditure	100.0	190.0	US\$000s. Average per year.
Net change in longterm debt/notes	70.0	100.0	US\$000s. Average per year. Use + for net increase & - for net reduction.
Expected federal/state tax rate	30.0	35.0	% Use the effective, not standard, rates.
Planned dividends	70.0	90.0	US\$000s. Average per year.
Proceeds of new stock issues	150.0	US\$000s	Specify proceeds net of costs.
Number of new shares issued	10.0	000s	Indicates numbers of shares.

TEXTUAL SUMMARY REPORT

Date prepared: 15-Nov-11

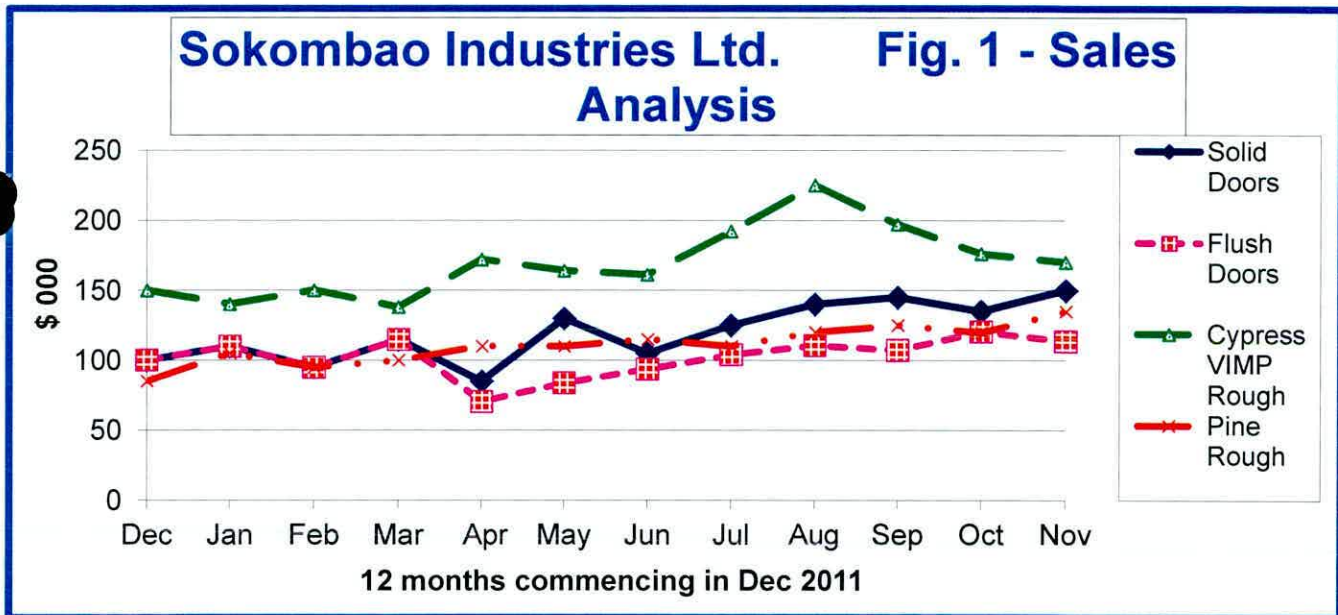
The following three operational & financial reports for SOKOMBAO INDUSTRIES cover the months and years commencing in Dec 2011. They have been derived from the detailed assumptions in Exl-Plan's Monthly, Quarterly and Annual Reports.

1. FIRST-YEAR OPERATIONAL REPORT - SOKOMBAO INDUSTRIES

This First-Year Operational Report covers the twelve months to end Nov 2012 based on detailed monthly projections and assumptions. The following table summarizes quarterly sales projections for the year:

Sales	Quarter Ends in Year to Nov 2012				Annual Total
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	
	\$000	\$000	\$000	\$000	\$000
Product Group:					
- Solid Doors	305.0	330.0	370.0	430.0	1,435.0
- Flush Doors	305.0	269.2	308.3	341.7	1,224.2
- Cypress VIMP Rough	440.0	474.0	578.0	543.0	2,035.0
- Pine Rough	285.0	320.0	345.0	380.0	1,330.0
Total sales	1,335.0	1,393.2	1,601.3	1,694.7	6,024.2
% Quarterly changes	NA	4.4	14.9	5.8	

This shows that Solid Doors will account for 24% of projected sales; that Flush Doors will account for a further 20%; that Cypress VIMP Rough will account for 34%; and that Pine Rough will account for 22



Projected inventory levels for the four quarters are as follows:

Inventories	Opening Levels	Quarter Ends in Year to Nov 2012			
		1st	2nd	3rd	4th
	\$000	\$000	\$000	\$000	\$000
Finished goods	125.0	289.0	297.2	357.0	354.3
Materials/goods	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>	<u>120.0</u>
Total inventory	245.0	409.0	417.2	477.0	474.3

The projected average materials/goods cost percentages for the four quarters are as follows:

Product Groups	Quarterly Averages for Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Averages
	% Sales	% Sales	% Sales	% Sales	% Sales
Solid Doors	63.8	58.4	65.8	60.6	62.1
Flush Doors	79.6	60.4	67.5	66.1	68.6
Cypress VIMP Rough	87.0	73.1	73.9	66.9	74.7
Pine Rough	82.0	73.0	71.8	71.7	74.2

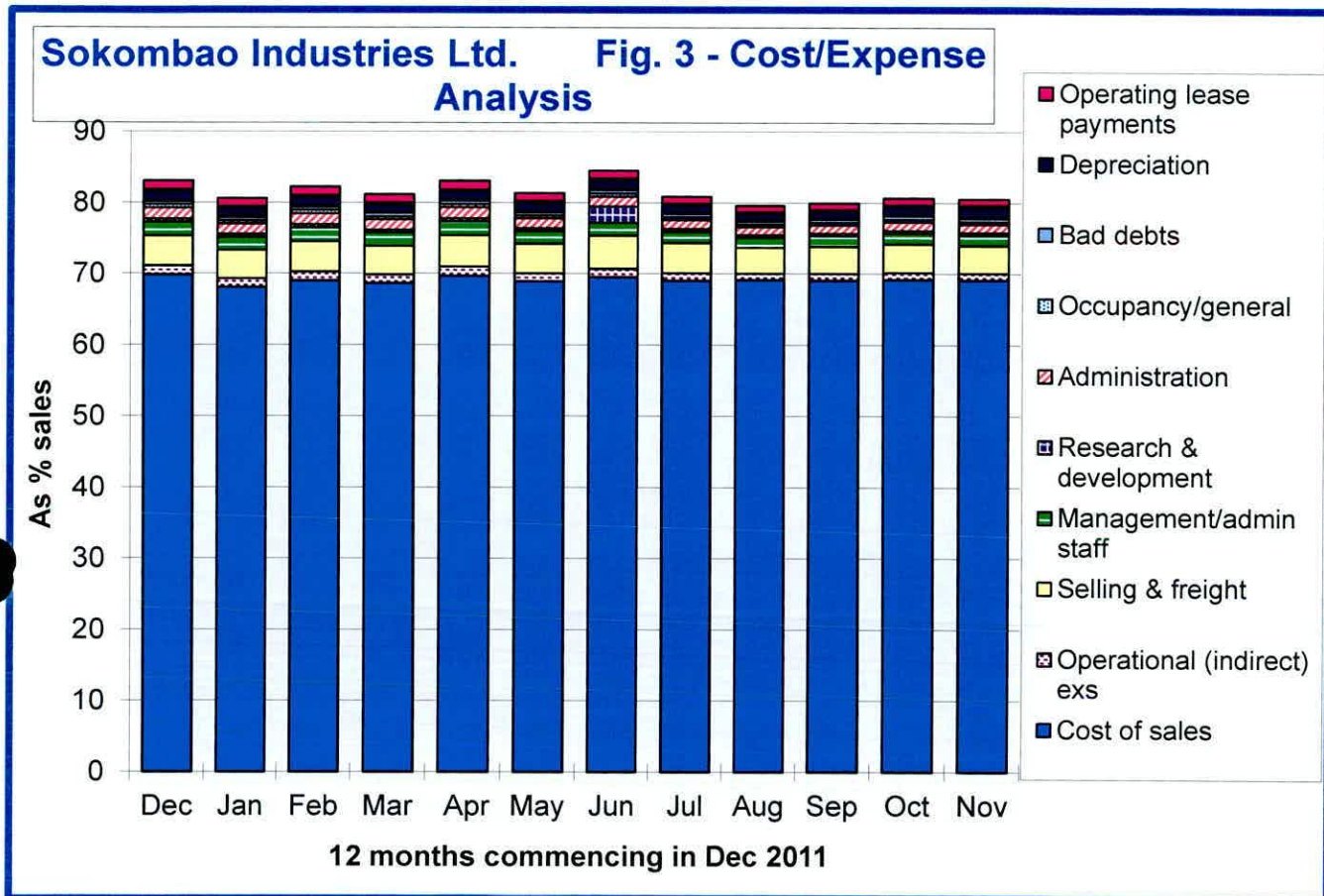
Based on Cost of Materials (Assumption Report No. 2) as % Sales (Report No. 1)

The projected headcounts at quarter ends are as follows:

Functions	Quarter Ends in Year to Nov 2012			
	1st	2nd	3rd	4th
	Nos	Nos	Nos	Nos
Direct labor:				
- Solid Doors	12	15	18	21
- Flush Doors	11	13	14	16
- Cypress VIMP Rough	5	10	10	10
- Pine Rough	<u>10</u>	<u>13</u>	<u>16</u>	<u>19</u>
Total direct labor	38	51	58	66
Indirect labor	5	5	5	5
Supervisory staff	5	5	5	5
Sales	5	5	5	5
Clerical	4	4	4	4
Management	5	5	5	5
Research & development	2	2	2	2
Total headcount	64	77	84	92

Direct costs and overhead expenses are summarized below.

Cost Analysis	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Materials/packaging/goods	893.8	926.9	1,069.2	1,124.7	4,014.6
Direct labor	18.9	26.6	30.7	37.9	114.1
Other direct	7.9	8.9	8.5	9.0	34.4
Total Cost of sales	920.6	962.5	1,108.4	1,171.6	4,163.2
Overhead expenses:					
Operational (indirect)	16.5	16.5	16.5	16.5	66.0
Selling & freight	55.5	58.9	66.4	66.0	246.8
Management/admin staff	25.5	25.5	25.5	25.5	102.0
Research & development	6.0	6.0	15.0	6.0	33.0
Administration	20.4	20.4	20.4	20.4	81.6
Occupancy/general	6.0	6.0	6.0	6.0	24.0
Total overhead expenses	129.8	133.3	149.8	140.4	553.4
Total direct costs & expenses	1,050.5	1,095.7	1,258.3	1,312.1	4,716.6



Proposed capital expenditure (excluding leasing) is summarized in the next table.

Capital Expenditure	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Land, buildings & improvements					
Plant, equipment & machinery				100.0	100.0
Automobiles, vehicles etc.		50.0		50.0	100.0
Total capital expenditure		50.0		150.0	200.0

Changes in longterm debt and leasing are summarized below.

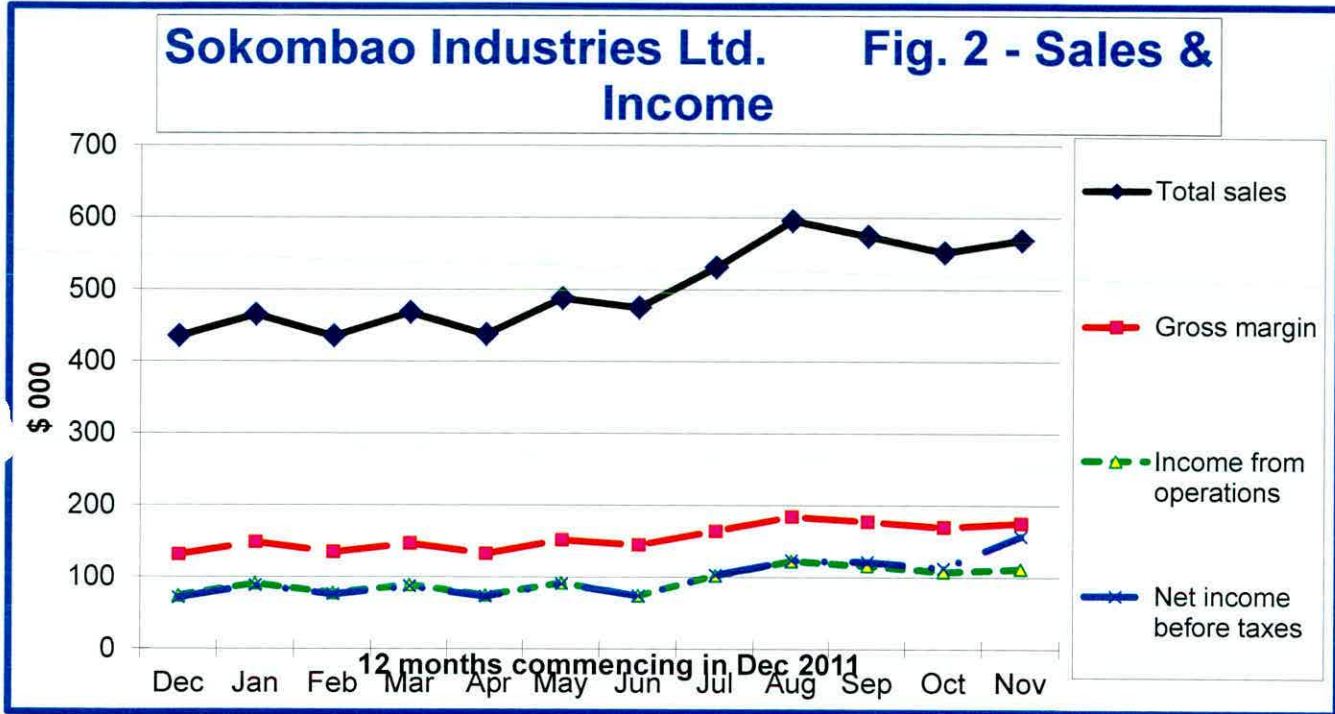
Debt & Leasing	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Increase in longterm debt/notes	50.0			250.0	300.0
Longterm debt/note repayments	25.0	25.0	25.0	25.0	100.0
Net changes in longterm debt/notes	25.0	(25.0)	(25.0)	225.0	200.0
Increases in 'other loans'		125.0			125.0
'Other loan' repayments				25.0	25.0
Net changes in 'other loans'		125.0		(25.0)	100.0
Increases in leases					
Lease repayments	30.0	30.0	30.0		90.0
Net changes in leases	(30.0)	(30.0)	(30.0)		(90.0)
Overall changes in loans & leases	(5.0)	70.0	(55.0)	200.0	210.0

Other significant transactions during the year include the following:

Other Transactions	Quarters in Year to Nov 2012				Annual
	1st	2nd	3rd	4th	Total
	\$000	\$000	\$000	\$000	\$000
Proceeds of share issues	25.0		300.0		325.0
Proceeds of fixed asset sales				50.0	50.0
Dividends declared					

2. FIRST-YEAR FINANCIAL REPORT - SOKOMBAO INDUSTRIES

This First-Year Financial Report covers the twelve months to end Nov 2012 based on detailed monthly projections and assumptions.



The following table analyses sales and gross margins by main product group for the full year:

Year to end Nov 2012	Total Sales \$000	Gross Margin \$000	Gross Margin % Sales
Product Group:			
- Solid Doors	1,435.0	530.5	37.0
- Flush Doors	1,224.2	379.4	31.0
- Cypress VIMP Rough	2,035.0	586.4	28.8
- Pine Rough	1,330.0	364.7	27.4
Total	6,024.2	1,861.0	30.9

This shows that Solid Doors will account for 24% of projected sales (29% of total gross margin); that Flush Doors will account for a further 20% of sales (20% of total gross margin); that Cypress VIMP Rough will account for 34% of sales (32% of total gross margin); that Pine Rough will account for the balance of 22% of sales (20% of total gross margin).

The projected overall gross margin is 31%.

Based on projected sales of \$6024 000, SOKOMBAO INDUSTRIES expects to report a pretax profit of \$1171 000 for the year.

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The following table analyses these projections:

Year to end Nov 2012	\$000	% Sales
Sales	6,024.2	100
Cost of sales	<u>4,163.2</u>	69
Gross Margin	1,861.0	31
Overhead expenses:		
-Operational (indirect)	66.0	1
-Selling & freight	246.8	4
-Management/admin staff	102.0	2
-Research & development	33.0	1
-Administration	81.6	1
-Occupancy/general	24.0	0
Bad debts	30.1	1
Depreciation	88.6	1
Operating lease payments	<u>66.0</u>	1
Total operating expenses	738.1	12
Income from operations	1,123.0	19
Other income/expenses:		
-Profit (loss) disposal of fixed assets	40.0	1
-Intangible asset amortization	60.0	1
-Miscellaneous income	<u>120.0</u>	2
Total other income (expenses)	100.0	2
Earnings before interest & taxes	1,223.0	20
Interest expense/income:		
-Interest expense	31.5	1
-Lease interest expense	45.0	1
-Interest income	<u>24.7</u>	0
Net interest expense (income)	51.8	1
Net income before taxes	1,171.1	19

Based on detailed monthly projections, the net cash inflow for the twelve months will be \$1521 000. The projected year-end bank position will be a \$1550 000 cash balance.

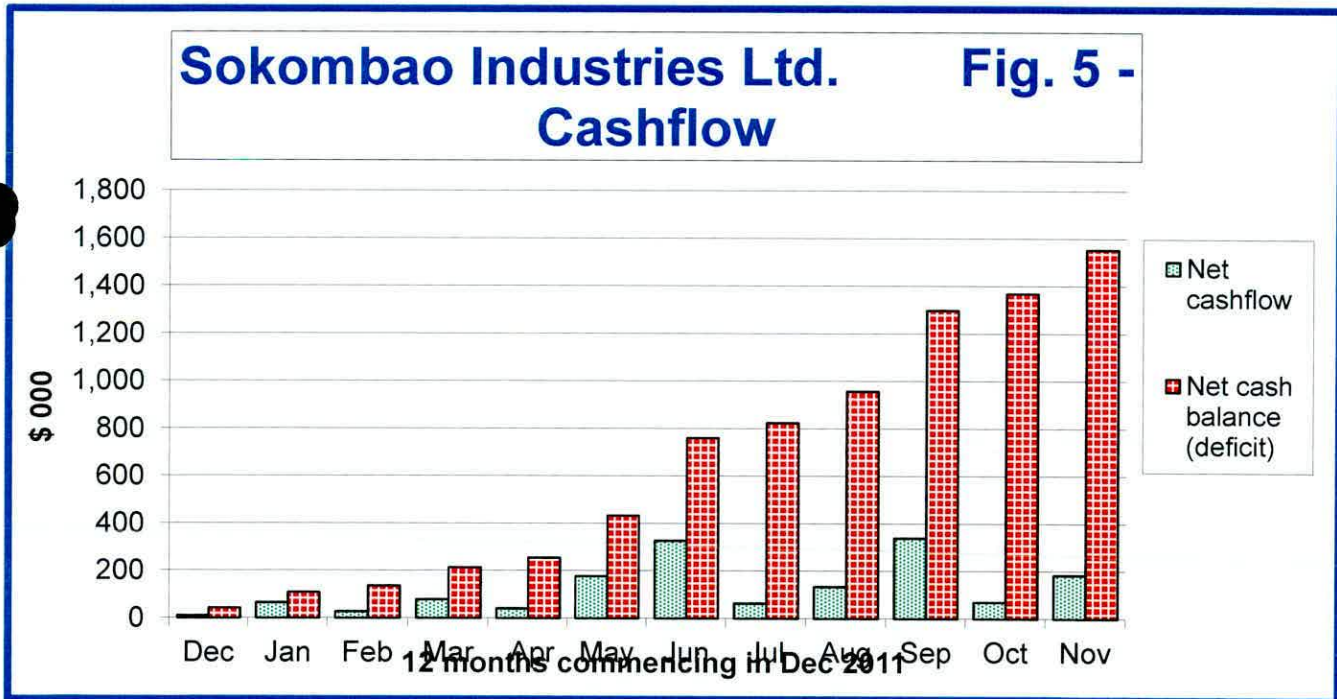
The next table compares the projected results with those for the previous year which ended in Nov 2011.

Years ending:	Nov 2011	Nov 2012	Change
	\$000	\$000	%
Sales	3,700.0	6,024.2	63
Cost of sales	<u>1,000.0</u>	<u>4,163.2</u>	316
Gross margin	2,700.0	1,861.0	-31
Total operating expenses	<u>1,090.0</u>	<u>738.1</u>	-32
Income from operations	1,610.0	1,123.0	-30
Other income, interest expense etc.	<u>(35.0)</u>	<u>48.2</u>	
Net income before taxes	1,575.0	1,171.1	-26
Taxes	<u>551.3</u>	<u>409.9</u>	-26
Net income	1,023.8	761.2	-26
Dividends declared	<u>300.0</u>		
Transferred to reserves	723.8	761.2	5

This indicates that sales could increase by \$2324 000 while net income could DECLINE by \$404 000 over the year.

The following table summarizes cashflows for the year by quarter.

Cashflows	Quarters in Year to Nov 2012				Annual Total
	1st	2nd	3rd	4th	
	\$000	\$000	\$000	\$000	\$000
Total cash receipts	2,027.9	1,755.6	2,158.6	2,305.9	8,248.0
Total cash payments	<u>1,923.7</u>	<u>1,459.0</u>	<u>1,633.2</u>	<u>1,711.4</u>	<u>6,727.2</u>
Net cashflow	104.2	296.6	525.4	594.6	1,520.8
Closing cash balance (deficit)	133.2	429.8	955.3	1,549.8	



The following key assumptions regarding rates etc. were used

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in compiling the projections for the year to end Nov 2012.

Items	Value	Basis
Headcount:		
Direct workers	49.3	Avg monthly numbers
All other staff	26.0	Avg monthly numbers
Bad debts	0.5	As percent sales
Depreciation:		
Land, buildings & improvements	3.0	Annual % rates
Plant, equipment & machinery	10.0	Annual % rates
Automobiles, vehicles etc.	25.0	Annual % rates
Interest rates (% pa):		
Cash at bank	4.0	Monthly average
Short-term loans/line of credit	13.5	Monthly average
Longterm debt/notes	12.5	Monthly average
Working capital:		
Accounts receivable (days sales)	9	Based on full-yr sales
Inventory (days sales)	29	Based on full-yr sales
Accounts payable (days costs & exs)	9	Based on full-yr costs

The following key ratios have been derived from the 12-month projections for the year ending Nov 2012:

Ratios	Max/Min Monthly	Full Year or Year End
Profitability:		
Gross margin (% sales)	31.9	Max Value 30.9
Net income before taxes (% sales)	27.5	Max Value 19.4
Current asset ratio (times)	1.2	Min Value 2.3
Debt/equity (%)	31	Max Value -61
Sales/total assets (times)		2.0
Net income before taxes/total assets (%)		38.6
Projected sales as % breakeven		252

This table indicates that the following financial indicators derived from the detailed projections, may be out-of-line with generally-accepted norms:

3. FIVE-YEAR FINANCIAL REPORT - SOKOMBAO INDUSTRIES

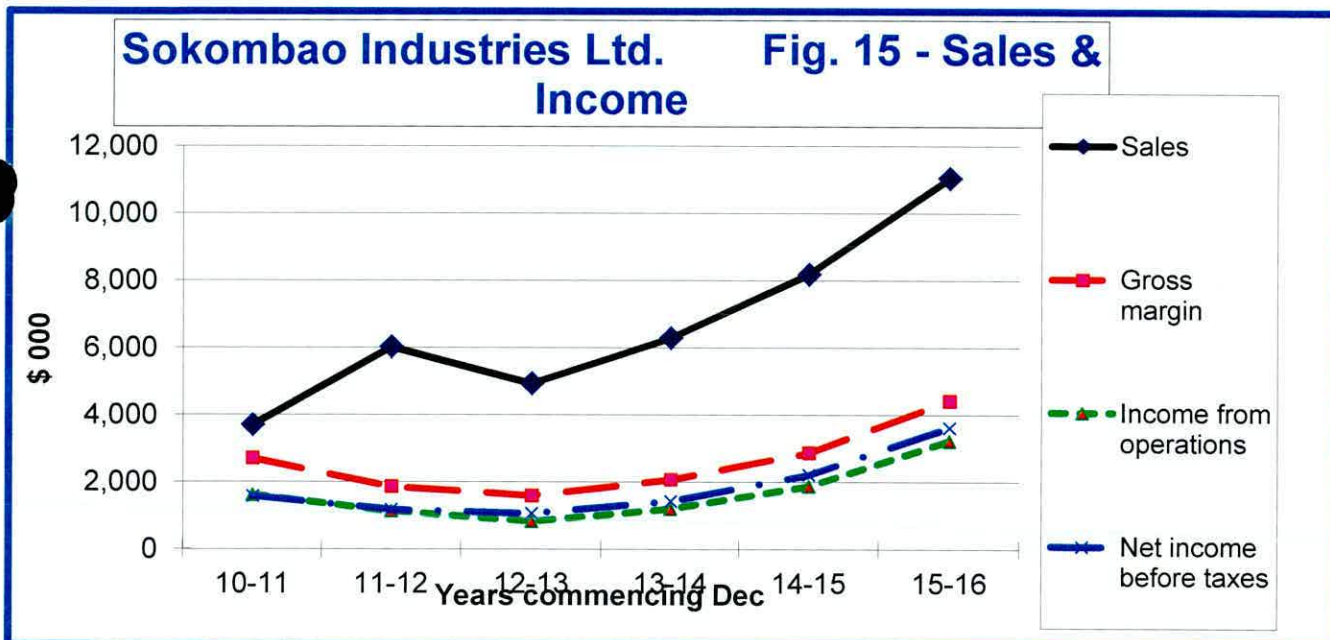
This Financial Report covers the five years to the end of Nov 2016. It has been based on detailed monthly projections for the first year and quarterly/full-year projections for the following years.

The following table summarizes the projected trading performance:

Years to end Nov	10-11 Act/Est	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
	\$000	\$000	\$000	\$000	\$000	\$000
Sales	3,700	6,024	4,932	6,290	8,177	11,039
Cost of sales	<u>1,000</u>	<u>4,163</u>	<u>3,341</u>	<u>4,224</u>	<u>5,315</u>	<u>6,623</u>
Gross margin	2,700	1,861	1,591	2,066	2,862	4,416
Total operating expenses	<u>1,090</u>	<u>738</u>	<u>774</u>	<u>878</u>	<u>1,000</u>	<u>1,205</u>
Income from operations	1,610	1,123	817	1,188	1,862	3,211
Other income, interest etc	<u>-35</u>	<u>48</u>	<u>239</u>	<u>229</u>	<u>344</u>	<u>404</u>
Net income before tax	1,575	1,171	1,057	1,417	2,206	3,615
Taxes	<u>551</u>	<u>409</u>	<u>370</u>	<u>498</u>	<u>710</u>	<u>1,265</u>
Net income	1,024	762	687	919	1,496	2,350
Dividends declared	<u>300</u>			<u>125</u>	<u>150</u>	<u>140</u>
Transferred to reserves	724	762	687	794	1,346	2,210

For the first three years under review, sales should change by 70% and projected net income before taxes for the third year are \$1417 000.

For the fifth year, sales should reach \$11039 000 and projected net income before taxes could be \$3615 000.

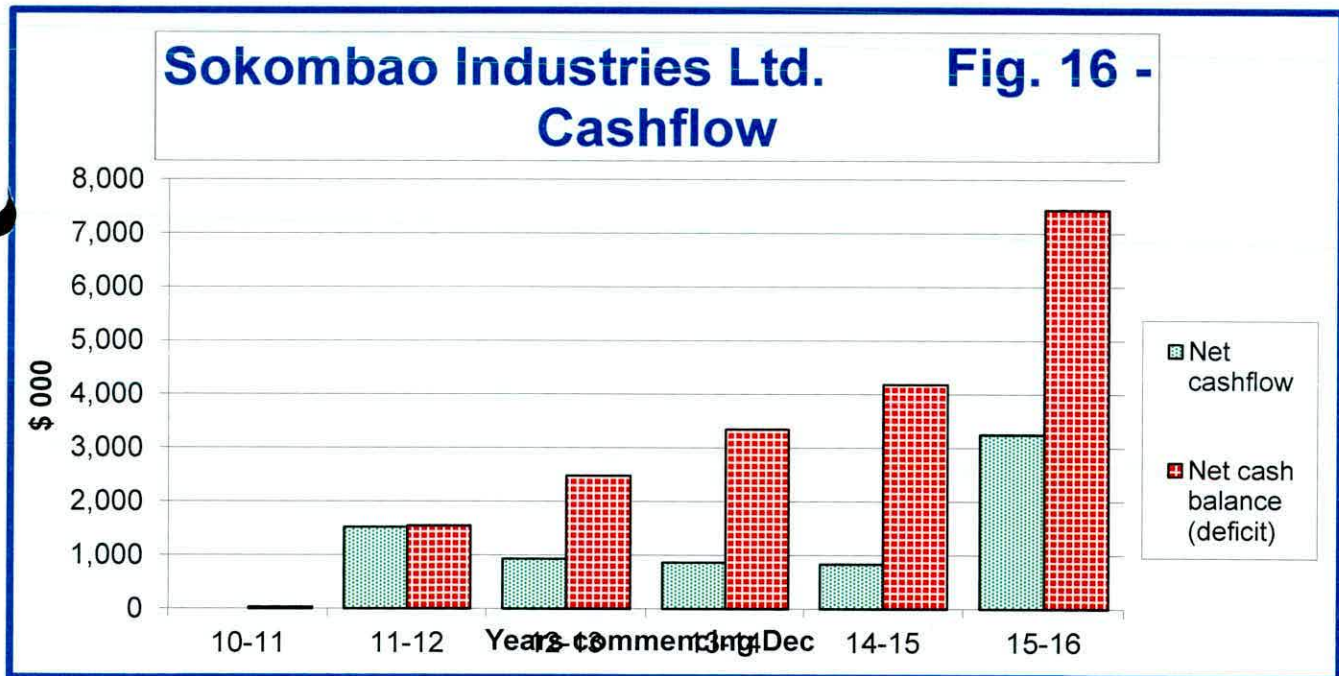


The projected cashflows for SOKOMBAO INDUSTRIES during the years
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under review are summarized below:

Years to end Nov	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
	\$000	\$000	\$000	\$000	\$000
Net cashflows from:					
Operations	1,081	824	1,063	1,203	3,277
Investing activities	-95	-100	-155	-595	-275
Financing activities	535	210	-40	225	250
Increase (decr) cash	1,521	934	868	833	3,252

The projected cumulative net cash inflow over the five years is \$7408 000.



The next table shows the projected balance sheets.

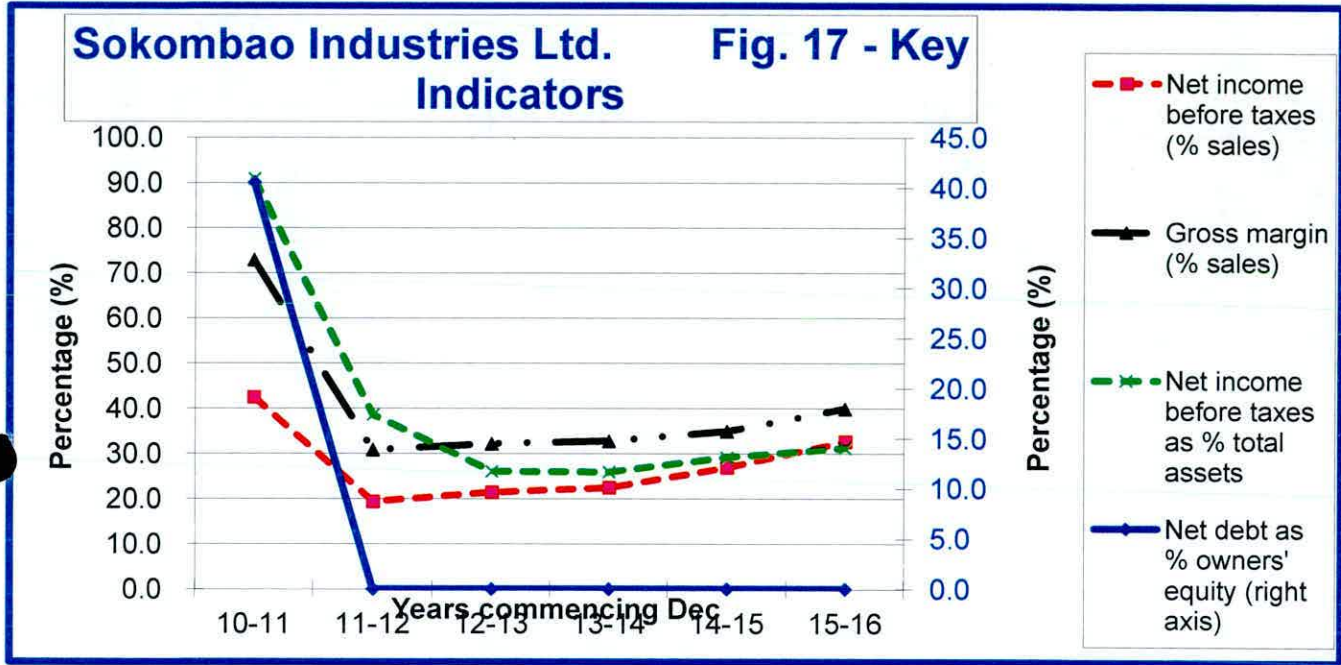
Years to end Nov	10-11 Act/Est	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
	\$000	\$000	\$000	\$000	\$000	\$000
ASSETS						
Current assets:						
Cash	159	1,550	2,484	3,352	4,185	7,437
Other	<u>873</u>	<u>739</u>	<u>653</u>	<u>789</u>	<u>1,810</u>	<u>2,398</u>
Total Current Assets	1,032	2,289	3,136	4,141	5,995	9,836
Fixed & intang assets	702	743	929	1,337	1,591	1,757
Total assets	<u>1,734</u>	<u>3,032</u>	<u>4,065</u>	<u>5,478</u>	<u>7,587</u>	<u>11,593</u>
LIABILITIES						
Current liabilities:						
Short-term loans/credi	130					
Other	<u>934</u>	<u>980</u>	<u>1,181</u>	<u>1,812</u>	<u>1,674</u>	<u>2,025</u>
Total Current Liabilitik	1,064	980	1,181	1,812	1,674	2,025
Total longterm liabiliti	125	420	365	354	422	491
Total owners' equity	545	1,632	2,519	3,313	5,492	9,078
Total liabilities	1,734	3,032	4,065	5,479	7,588	11,594

The projected change in owners' equity is \$8533 000 and the expected closing net cash position is \$7437 000.

The overall projected performance of SOKOMBAO INDUSTRIES for the years under review is assessed in the following table:

Years to end Nov	11-12 Proj	12-13 Proj	13-14 Proj	14-15 Proj	15-16 Proj
Gross margin (% sales)	30.9	32.3	32.8	35.0	40.0
Net income before taxes (% sales)	19.4	21.4	22.5	27.0	32.7
Sales as % breakeven	252	206	235	286	367
Net income before taxes/total assets	38.6	26.0	25.9	29.1	31.2
Sales/total assets (times)	2.0	1.2	1.1	1.1	1.0
Net debt as percent owners' equity (Max=200%)					
Net assets per share (\$)	2.65	3.79	4.98	7.37	10.74
Earnings per share (\$)	1.37	1.07	1.38	2.88	4.18
Dividend per share (\$)			0.19	0.20	0.17

This table indicates that the following financial ratios may be out-of-line with generally accepted norms for one or more years:



THE COMPANIES ACT 2002

(LAWS OF TANZANIA)

COMPANY LIMITED BY SHARES

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF

SOKOMBAO INDUSTRIES LIMITED

(A PRIVATE COMPANY)

INCORPORATED AS OF THIS DAY OF , 2011

Adept Chambers
Peugeot House
1st Floor
P.O. Box 79651
Dar es Salaam

Telephone Nos: 2120954/6
Fax No: 2121625
E-Mail: info@adeptchambers.com
Website: www.adeptchambers.com

TANZANIA

Stamp Duty Sbs.

PAID ON ORIGINAL

Receipt No. 17284

Stamp Duty Office

THE COMPANIES ACT 2002
(LAWS OF TANZANIA)

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

SOKOMBAO INDUSTRIES LIMITED

TANZANIA

Stamp Duty Sbs.

Receipt No. 17284

Asst. Registrar of Companies

1. The name of the Company is **SOKOMBAO INDUSTRIES LIMITED**.
2. The registered office of the Company will be situated in the Republic of Tanzania.
3. The objects for which the Company is established are:
 - (a) To carry on the business of manufacturers of plywood and all other wood and timber products, logging operators, buying and selling logs of every description, timber merchants, sawmill proprietors and timber growers and to buy, sell, grow, tanalise, preserve, prepare for market, manipulate, import and deal in timber and wood of all kinds and to manufacture and deal in articles of all kinds in the manufacture of which timber or wood is used and so far as may be deemed expedient to buy, clear, and work timber estates, and to carry on construction or any other business which may seem to the Company capable of being conveniently carried on in connection with any of the above or calculated directly or indirectly to render profitable or enhance the value of the Company's property or rights for the time being.
 - (b) To carry on the business as forest licenses and exploiters, lumberjacks, timber growers and merchants in all their branches and to grow, fall, collect, deal in logs, wood and all other similar produce of all kinds and description, and to apply for, take on lease or license, buy or otherwise acquire, hold and work. Forest right and timber estates, and to clear, plant, work such rights and estates, and to do all such acts and things as are necessary or in connection therewith.
 - (c) To carry on business as manufacturers, importers and exporters of, and dealers in goods, articles and thing of all kinds and description in the manufacture of which timber or wood is used, and the business of contractors, carpenters, cabinet and furniture makers in all their respective braches and to deal in such articles and things in their raw unfinished, or manufactured state and either by wholesale or retail.
 - (d) To carry on the business of manufacturers, repairers, importers, exporters or otherwise dealers in furniture and fixtures made from wood, brass, steel, fibre glass, plastics or other alloys and to carry on the business by wholesale or retail and whether manufacturing or otherwise of house furnisners, upholsters and dealers in and hirers, repairs, cleaners, stores and warehouse of furniture, carpets, linoleums, furnishings fabrics and other fibre coverings household utensils, china and glass goods fittings, colourful curtains, handmade home furnishings and carpets household requisites of all kinds and all the things capable of being used therewith or in the maintenance and repair thereof.

- (e) To engage in and carry on the business of planters, growers, cultivators of all kinds of trees and any and every sort of crop or produce of the soil and to sell, export, import, improve, prepare, manufacture, or render marketable any such produce and for such purposes to erect and work all such mills, machinery dams, irrigation, trenches, flumes, and other contrivances which may be deemed necessary.
- (f) To establish, manage and carry on the traders or business of farmers, stock farmers, cattle rearers, grazers, dairymen, livestock and poultry foresters, hunters, trappers, fell mongers, tanners, food specialists, preserved meat, fish, fruits, vegetable and food manufactures, dealers in cattle, sheep and animals generally, and dealers, whether by wholesale or retail in coal grain, timber, foodstuffs, meat and offal's hides and skins, fats, tallow grease and oils and animal, vegetable and fishery products and by-products, produce merchandise of all kinds.
- (g) To purchase, take on lease, option or license, exchange or otherwise acquire in any part of the world ranches, farm, lands, concessions, estates, plantations and properties, and to cultivate, improve, manage, develop or otherwise turn to account, deal with or dispose of the same, agricultural, ranching, grazing, plantation, forest, fishing and trading, grants, licenses, concessions, options rights or privileges.
- (h) To build, erect, contract, lay down, purchase, take on lease, option, license, exchange or otherwise acquire in any part of the world any abattoirs, freezing works, cold stores, cooling stores, preserving and establishments for the manufacture, getting, extracting establishments for the manufactures, getting extracting, and preparing for marketing, of procedures and merchandise of all kinds and descriptions, and operate, improve, manage, or otherwise turn to account, and deal with or dispose of the same in any manner whatsoever.
- (i) To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account, let on royalty, share of profits, or otherwise grant and deal with the resources, lands, buildings and rights in such manner and for such consideration as the Company, may think fit, and in particular by clearing, irrigation, training, fencing, planting, building, improving, farming, grazing, pasturing, and by promoting immigration, establishing towns, villages and settlements.
- (j) To establish, manage and carry on the traders or businesses of slaughter men, butchers, cold and cooling store and frozen products of all kinds, builders and contractors for the construction of works, both public and private, chemical, plastics, soap, detergent, glass, articles and foods of every kind, millers, foundry men, electrical, mechanical, refrigeration, insulation, chemical, heating, mining, experimental and general engineers, chemists, dredgers, quarrymen, miners, quarry and mine proprietors, brick and tile makers, timber and growers, timber and lumber merchants, and dealers in cement, sands, lime, bricks and building requisites.
- (k) To buy, sell, manufacture, prepare for market and deal in foods and other products, goods, provisions, clothing, stores, drugs, medicinal and pharmaceutical preparations, tobacco, wines, beer, spirits, liquors of ever description, and all conveniences or necessities of life which may be used or required for workmen or others employed by the Company.

- (l) To examine, investigate and otherwise to acquire information relating to any property or rights which the Company may acquire, or become interested in, and to employ, equip and send to any part of the world explores, engineers, chemists, abattoir and refrigeration experts, food (technologists), animal, agricultural, fishery and food experts, and others for the purposes of making surveys and investigations of any nature whatsoever.
- (m) To acquire, clear, manage, farm, cultivate, plant, explore, work, restore or improve any land, or any interest in land; to deal with any farm or other products of any such land, and to carry on the business of general traders.
- (n) To purchase or otherwise acquire real or personal property of all kinds and in particular land, buildings, machinery, plant, stores, patents, licenses, concessions, rights of way, light or water, and any rights or privileges which it may seem convenient to obtain for the purposes of or in connection with the business of the company, and to manage, develop, sell, exchange, lease, mortgage, or otherwise deal with the whole or any part of such property or rights.
- (o) To acquire or erect glasshouses and any other premises for the promotion of the speedy growth of crops, vegetables, fruit or flowers, and to sell all such produce.
- (p) To acquire and take over any business or undertaking carried on, upon, or in connection with, any land or building, which the Company may acquire or become interested in, and the whole or any of the assets and liabilities of such business or undertaking, and to carry on the same, or to dispose of, remove, or put an end thereto, or otherwise deal with the same as may seem expedient to the Directors of the Company.
- (q) To apply for, secure, acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right, privilege which any government or authority, supreme, municipal, local or otherwise, or any corporation or public body may be empowered to issue, confer or make and to pay for, aid in and contribute towards carrying the same into effect and to appropriate any of the Company's assets, shares, stock, debentures or other securities to defray the necessary costs and expenses thereof.
- (r) To acquire the goodwill or shares of any business or company carrying on any trade or business within the objects of the Company and any lands, privileges, contracts, property or effects, held or used in connection therewith and upon such purchase to undertake the liabilities of such business or company.
- (s) To undertake, conduct, acquire and carry on or out work of all kinds relating to any business of the Company.
- (t) To invest the moneys of the Company not immediately required in such manner as may from time to time be determined by the Directors of the Company.

- (u) To apply for and acquire privileges, licenses, concessions, secret processes and the like which the Directors of the Company may deem to be advantageous for the business of the Company.
- (v) To take part in the formation, management, supervision or control of the business or operations of any company, firm or other unincorporated body and for that purpose to act as directors, administrators, managers, accountants or other experts or agents.
- (w) To vest any movable or immovable property, rights or interests acquired by or belonging to the Company in any person or company on behalf of or for the benefit of the Company, and with or without any declared trust in favor of the Company.
- (x) To sell or dispose the undertaking, assets or property of the Company or any part thereof for such consideration as the Company may think fit, and in particular for the shares, debentures or securities of any company purchasing the same.
- (y) To acquire and deal with the business, property and liabilities of any company, firm or persons carrying on any business within the objects of the Company.
- (z) To acquire and deal with and in plant and machinery, patents, patent rights, inventions, copyrights, designs, trademarks or secret processes and other intellectual property rights and to sell, let, dispose or grant rights and licenses over the same.
- (aa) To acquire and deal with the shares, stock and securities in or of any company or undertaking the acquisition of which may promote or advantage the interests of the Company.
- (bb) To pay all costs, charges and expenses incurred or sustained in or about the promotion and establishment of the Company or which the Company may consider to be preliminary expenses.
- (cc) To draw, accept and negotiate bills of exchange, promissory notes and other negotiable and mercantile instruments for the purpose of the Company's business.
- (dd) To borrow or raise money whether or not for the purposes of the Company (including by way of hire purchase, conditional sale, credit sale or any other such methods of financing) from banking and financial institutions or other money lending institutions or by other lawful means including by the issue of debentures, debenture stock (perpetual or terminable) or bonds and to secure or discharge any debt, liability or obligation of or binding on the Company whether by way of guarantee or indemnity or otherwise (including, without limitation, pursuant to the borrowing or raising of money) by the giving of mortgages, charges or other security founded, or based upon all or any of the property and rights of the Company, including its uncalled capital or without any such security and upon such terms as to priority or otherwise as the Company shall think fit.

- (ee) To lend and advance money or give credit to any person or company on such terms as may seem expedient to the Directors of the Company and in particular to a customer or person or firm or company or other body corporate or unincorporated having dealings with the Company.
- (ff) To guarantee or otherwise support or secure, either with or without the Company receiving any consideration or advantage and whether by personal covenant or by mortgaging or charging all or part of the undertaking, property, assets, rights and revenues present and future and uncalled capital of the Company or by both such methods or by such other means whatsoever, the liabilities and obligations of and the payment of any moneys whatsoever (including but not limited to principal, interest and other liabilities of any borrowings or acceptance credits and capital, premiums, dividends, costs and expenses or any stocks, shares or securities) by any person, firm or company including but not limited to any company which is for the time being a holding company or a subsidiary (both as defined in the Companies Act 2002 of the Company or of the Company's holding company and that the giving and creation of any such guarantee support or security is hereby constituted one of the main objects of the Company.
- (gg) To enter into joint venture agreements or an amalgamation with any other company, firm or person carrying on business within the objects of the Company.
- (hh) To promote or assist in the promotion of any other company or business for the purpose of acquiring any of the assets and liabilities of the company or business or for any other purpose which may seem to the Directors of the Company directly or indirectly to benefit the Company.
- (ii) To sell the undertaking and all or any of the property of the Company for cash or stock, shares or securities of any other company or person or for any other consideration.
- (jj) To grant pensions, allowances, gratuities and bonuses to the employees or ex-employees of the Company or such persons who have given honorary services to the Company and to support or subscribe to any charitable or other institutions, clubs, societies or funds.
- (kk) To distribute in specie the assets and property of the Company amongst its members.
- (ll) Generally to do all such things as may appear to be incidental or conducive to the attainment of the above objects or any of them.

AND it is hereby declared that the intention hereof is that the objects hereinabove specified in this clause 3 shall be independent main objects of the Company and shall in no wise be limited or restricted by reference to or inference from the terms of any other paragraph or the other clauses hereof.

4. The liability of the members is limited.

5. The nominal share capital of the Company is Tanzania Shillings one million (Tshs. 1,000,000/=) divided into one thousand shares (Tshs. 1,000) shares of Tanzania Shillings one thousand (T.Shs.1000/=) each with the rights and privileges and conditions respectively attached thereto as may from time to time be conferred by the regulations of the Company with powers to increase or to reduce its capital and to divide the share capital of the Company from time to time into several classes and attach thereto such preferential, differed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company.

TANZANIA
Stamp Duty Sbs. PAID ON ORIGINAL
Receipt No. 17208
Stamp Duty Office

THE COMPANIES ACT 2002
(LAWS OF TANZANIA)

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

SOKOMBAO INDUSTRIES LIMITED

TANZANIA
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TABLE A

1. The regulations in Table A in the First Schedule to the Companies Act 2002 shall not apply to the Company save if the same is repeated or contained in these Articles.

INTERPRETATION

2. In these Articles unless the context otherwise requires, expressions defined in the Companies Act 2002 shall have the meanings so defined and the words standing in the first column of the table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof, namely:

<u>Words</u>	<u>Meanings</u>
"Act"	the Companies Act 2002 or any statutory re-enactment or modification thereof for the time being in force, and reference to any section or provisions of the Act shall include reference to any statutory re-enactment or modification of such section or provision for the time being in force;
"Articles"	these Articles of Association of SOKOMBAO INDUSTRIES LIMITED ;
"Auditors"	the duly appointed auditors of the Company from time to time;
"Board"	the board of Directors of the Company or the Directors present at a duly convened meeting of Directors at which quorum has been attained;
"Chairman"	the Chairman of the Company;
"Company"	means SOKOMBAO INDUSTRIES LIMITED ;
"Directors"	the Directors for the time being of the Company or if there be only one Director then such one Director;
"Dividends"	any distribution (whether in cash or property, and whether made before or during a winding up) by the Company to any Member with respect to a Member's equity interest in the Company;

"Member"	a registered shareholder in the Company;
"Memorandum"	the Memorandum of Association of the Company;
"Month"	calendar month;
"objects"	the objects of the Company;
"Office"	the registered office of the Company;
"Quorum"	(in the case of Board meetings) two (2) Directors as the minimum number of Directors who must be present at a meeting in order for business to be transacted;
"Seal"	the Common Seal of the Company;
"Year"	the financial year as determined by the Board of Directors; and
"writing"	includes printing and lithography and any other mode or modes of representing or producing words in a visible form.

PRIVATE COMPANY

3. The Company is a Private Company, and accordingly:
- (a) no invitation shall be issued to the public to subscribe for any shares or debentures of the Company;
 - (b) the number of the Members, not including persons who are in the employment of the Company is limited to fifty (50) Members:

Provided that, for the purpose of this provision, where two or more persons hold one or more shares in the Company jointly, they shall be treated as a single Member;
 - (c) the right to transfer the shares of the Company is restricted in the manner hereinafter provided; and
 - (d) no bearer Share Warrant shall be issued.

BUSINESS

4. Any branch or kind of business which the Company is either expressly or by implication authorized to undertake in terms of its objects, may be undertaken by the Board at such time or times as it shall think fit, and further may be suffered by it to be in abeyance, whether such branch or kind of business may have been actually commenced or proceeded.
5. The Office shall be at such a place in Tanzania as the Board shall from time to time appoint.

6. 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, provided that nothing in this Article shall prohibit transactions mentioned in the proviso of Section 57 (I) of the Act.

SHARE CAPITAL

7. The share capital of the Company at the date of adoption of these Articles is Tanzania shillings one million (Tshs. 1,000,000/=) divided into one thousand (Tshs. 1000/=) shares of Tanzania Shillings one thousand (T.Shs.1000/=) each.
8. Without prejudice to any special rights previously conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the original capital or not) may be issued with any such preferred, deferred or other special rights or subject in regard to dividend returns of capital, voting or otherwise as the Company may from time to time, by resolution, determine or in the case of any shares in respect of which there has been no such determination as the Board may direct.
9. Subject to the provisions of Section 61 of the Act any preference shares may be issued on terms that they are, or at the option of the Company are to be liable, to be redeemed on such terms and in such manner as the Company may, by special resolution, determine.
10. The Company may, from time to time by ordinary resolution, increase its share capital by such sum, to be divided into shares of such amount as the resolution shall prescribe.

MODIFICATION OF CLASS OF SHARES

11. All or any of the special rights and privileges for the time being attached to any class of shares issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent, in writing, of the holders of no less than three - fourths (3/4) of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of such shares. To any such separate general meeting all the provisions of these Articles as to the general meeting of the Company shall *mutatis mutandis* apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy no less than one-third of the issued shares of the class, that every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and that if at any adjourned meeting of such holders a quorum as above defined be not present, those of such holders who are present shall be a quorum.
12. The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided by the conditions of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking, *paripassu* therewith.

SHARES

13. Subject to the provisions of these Articles, the unissued shares of the Company shall be at the disposal of the Board, which may allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, but so that no shares shall be issued at a discount except in accordance with Section 60 of the Act.
14. All issues of shares of common stock, preferred stock or options or warrants to purchase common or preferred stock or any security convertible in whole or in part into any of the aforesaid shares, options or warrants shall first be offered to all of the Members as nearly as may be in proportion to the percentage of the capital stock of the Company respectively held by such Member at the date of such offer. Every such offer shall be made in writing by the secretary of the Company and shall state that any shares the subject of such offer that are not subscribed by any Member will be offered to the other Members in proportion to the shares held by them.
15. If the shares and equity securities of any issue shall not be capable, without division into fractions, of being offered to or being divided among the Members in the proportions above mentioned the same shall be offered to or divided among the Members as nearly as may be in such proportions and any balance shall be offered to or divided among the Members in such manner as may be reasonably determined by the Board.
16. If all of the shares or equity securities, as the case may be, of any issue are not fully subscribed for within a period of fifteen (15) days after the same are offered to the Members, the Company shall, during the following period of fifteen (15) days, offer all or any of the shares or equity securities not taken up by the Members to those Members who have accepted their offers in proportion to their shareholdings, and if not subscribed by these Members within a period of thirty (30) days after being offered the Company may offer the same to any person or persons as the Board thinks fit, provided that:
 - (a) the price at which such shares or equity securities may be allotted and issued shall be not less than the subscription price initially offered to the Members, and
 - (b) the terms of payment and otherwise for such shares or equity securities shall not be more favorable than the terms initially offered to the Members.
17. The Company may exercise the powers of paying commissions conferred by Section 56 of the Act, provided that the rate or amount of the commission paid or agreed to be paid and the number of shares which persons have agreed for a commission to subscribe absolutely shall be disclosed in the manner required by the said section, and that such commission shall not exceed ten per cent. (10%) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to ten per cent. (10%) of such price (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.

18. If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant or equipment which cannot be made profitable for a lengthened period, the Company may, pay interest on so much of such share capital as is for the time being paid up and may charge the same to capital as part of the cost of construction of the works or buildings or the provision of plant.
19. Except as ordered by a court of competent jurisdiction or as by law required, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

20. Every person whose name is entered as a Member in the Register shall be entitled, without payment, to receive within two months after allotment or lodgment of transfer (or within such other period as the conditions of issue shall provide) one certificate for all his shares of any one class, or several certificates each for one or more of his shares of such class upon payment of such sum for every certificate after the first as the Board shall from time to time determine. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all. If a Member shall sell or transfer part of the shares comprised in his holding he shall be entitled to a certificate for the balance without charge.
21. If a share certificate is defaced, lost or destroyed it may be replaced on payment of such fee (if any) as may be determined by the Board and on such terms (if any) as to evidence and indemnity and payment of the out-of-pocket expenses of the Company of investigating such evidence as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

LIEN

22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys, whether presently payable or not, called or payable at a fixed time in respect of such share, and the Company shall also have a first and paramount lien and charge on all shares (other than fully paid shares) standing registered in the name of a single Member for all the debts and liabilities of such Member or his estate to the Company, and whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such Member, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person whether a Member or not. The Company's lien on a share shall extend to all dividends payable thereon. But the Board may at any time declare any share to be wholly or in part exempt from the provisions of this article. Unless otherwise agreed, the registration of a transfer of shares shall not operate as a waiver of the Company's lien, if any, on such shares.

23. The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default shall have been given to the holder for the time being of the share or to the person entitled by reason of his death or bankruptcy to the share.
24. The net proceeds of sale shall be applied in or towards payment or satisfaction of the debt or liability in respect whereof the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the Board may authorize some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

CALLS ON SHARES

25. The Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal amount of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, provided that no call shall exceed one-fourth of the nominal amount of the shares or be payable earlier than one month from the date fixed for payment of the last previous call, and each Member shall (subject to the Company giving to him 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. A call may be revoked or postponed as the Board may determine.
26. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.
27. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
28. If a sum called in respect of a share be not paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate, not exceeding ten per cent. (10%) per annum, as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.
29. Any sum which, by the terms of issue of a share, becomes payable on allotment or at any fixed date, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

30. The Board may make arrangements on the issue of shares for a difference between the holders in the amount of calls to be paid and in the times of payment.
31. The Board may, if it thinks 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 and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate, as may be agreed upon between the Board and the Member paying such sum in advance. The Directors may at any time on giving not less than three months' notice in writing to such Member repay to him the amount by which any such advance exceeds the amount actually called up on the shares.

TRANSFER OF SHARES

32. No shareholder shall sell, assign or otherwise transfer any shares without the prior written consent of the other shareholders except as provided in this Article.
34. If any Member (the "Offeror") wishes to transfer any of its shares in the Company, it shall first offer ("the Offer") all of such shares it is seeking to transfer ("the Offer Shares") to the other Members ("the Offeree").
35. The Offer shall:
 - (a) be in writing and shall be delivered by the Offeror to the Offeree at its address registered with the Company with a copy to the Company Secretary;
 - (b) be irrevocable and open for acceptance by the Offeree for a period of thirty (30) days following the date of receipt of the Offer by the Offeree;
 - (c) if an offer for the Offer Shares has been made by a bona fide third party to the Offeror, be accompanied by a true and complete copy of any such offer; and which in either case must contain the name of the bona fide third party and in the case where the bona fide third party is acting in the capacity of agent, the name of his ultimate principal;
 - (d) in all other cases apart from those referred to in Article 35(c), stipulate a cash price at which the Offeror is prepared to sell the Offer Shares and which shall be payable free of set-off or other deduction against delivery of the certificates in respect of the Offer Shares in negotiable form to the Offeree or its nominee; and
 - (e) not be subject to any other term or condition except that whole (and not a part only) of the Offer must be accepted.
36. In the event that the Offer is accepted by more than one of the Offerees, the right of first refusal mentioned above shall be deemed to be proportionate to each Offeree's existing shareholding in the Company. For the avoidance of doubt, in the event any Offeree does not accept the Offer each Offeree which has accepted the Offer shall be entitled, within twenty (20) days after being notified by the Offeree that any Offeree has not accepted the Offer, to accept the whole (and not any part) of the Offer in respect of the Offer Shares not accepted by any Offeree at the same price and on the same terms as stated in the original Offer.

37. If the whole of the Offer (and not part only) is not accepted by the Offeree within the period referred to in Article 35(b) (as extended, if necessary, pursuant to Article 36), then the Offeror shall be entitled, within thirty (30) days after such non-acceptance, to sell and transfer all (but not a part only) of the Offer Shares to a bona fide purchaser (and, where Article 35(c) is applicable to the bona fide third party referred to therein) ("the Third Party") at a price not lower and on terms and conditions not more favourable to that Third Party than those at which the Offeree was entitled to purchase the Offer Shares in terms of the Offer. Should the Offeror not sell all the Offer Shares within such thirty (30) day period, then Articles 34-37 inclusive shall apply de novo.
38. No transfer shall be registered unless a proper instrument of transfer shall have been delivered to the Company. The instrument of transfer of a share shall be executed by both the transferor and the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer, when registered, shall be retained by the Company.
39. The Board may decline to recognize any instrument of transfer if:
- (a) such fee to be determined by the Board is not paid to the Company in respect thereof;
 - (b) the instrument of transfer is not lodged with the Company at the registered office of the Company or is not accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of more than one class of shares.
40. If the Board refuses to register a transfer it shall, within two months after the date on which the transfer was lodged, send to the transferee notice of the refusal and the instrument of transfer that the Board has refused to register shall be returned to the transferee.
41. The Company shall be entitled to charge a fee to be determined by the Board on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, or other instrument relating to or affecting the title to any share.

TRANSMISSION OF SHARES

42. In case of the death of a Member the survivor or survivors where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole holder, shall be the only persons recognized by the Company as having any title to his shares; but nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share jointly held by him with other persons.

43. A person entitled to a share in consequence of the bankruptcy or death of a Member shall be bound at any time, if and when called upon in writing by the Directors so to do, to transfer such shares, as then registered in the name of the bankrupt or deceased Member, in favour of a nominee named by the Board.
44. A person becoming entitled to a share in consequence of the death or bankruptcy or liquidation of a Member shall be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Member until he shall have become registered as the holder thereof.

FORFEITURE OF SHARES

45. If a Member fails to pay any call or installment of a call on the day appointed for payment thereof, the Board 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 and expenses which may have accrued.
46. The notice shall name a further day (not being less than fourteen days from the date of the notice) on or before which and the place where 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 and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references herein to forfeiture shall include surrender.
47. If the requirements of any such notice as aforesaid be not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
48. When any share has been forfeited, notice of the forfeiture shall forthwith be given to the holder of the share or the person entitled to the share by reason of the death or bankruptcy or liquidation of the holder (as the case may be); but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.
49. A forfeited share shall be deemed to be the property of the Company and may be sold, re-allotted 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 at any time before a sale or disposition, the forfeiture may be cancelled on such terms as the Board may think fit.

50. A Member 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 with interest thereon at such rate as the Board may determine, not exceeding ten per cent per annum, from the date of forfeiture until payment but the Board may waive payment of such interest either wholly or in part.
51. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share 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 the sale or disposition thereof and may execute a transfer of the share in favor of the person to whom the same 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.

INCREASE OF CAPITAL

52. The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.
53. The Company may, by the resolution increasing the capital, direct that the new shares or any of them shall be offered either at par or at a premium or (subject to the provisions of Section 60 of the Act) at a discount or may make any other provisions as to the issue of the new shares. In default of any such direction or so far as the same shall not extend the provisions of Article 13 shall apply to such shares.
54. The new shares shall be subject to all the provisions of these Articles with reference to payment of calls, lien, transfer, transmission, forfeiture and otherwise and, unless otherwise provided in accordance with these Articles, shall be issued as Ordinary Shares.

ALTERATIONS OF CAPITAL

55. The Company may from time to time by:
- (1.) ordinary resolution:
 - (a) consolidate and divide all or any of its share capital into shares of larger amount than of its existing shares;
 - (c) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum (subject, nevertheless, to the provisions of Section 65 (1)(d) of the Act), and so that the resolution whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of the shares may have any such preferred or other special rights over, or may have such qualified or deferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to un-issued or new shares;

- (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 share capital by the amount of the shares so cancelled; and
 - (d) vary, modify or amend any rights attached to any shares not yet issued; and may also by special resolution:
- (2.) special resolution:
- (a) reduce its share capital or any capital redemption reserve fund or any share premium account in any manner and with and subject to any circumstance authorized by the Act.

GENERAL MEETINGS

56. The Company shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Board shall appoint.
57. All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
58. The Board may, whenever it thinks fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists, as provided by section 134 of the Act. If at any time there are not within Tanzania sufficient Directors capable of acting to form a quorum, any Director or any two Members may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Board. In the case of an Extraordinary General Meeting called pursuant to a requisition, no business other than that stated in the requisition as the subject of such meeting shall be transacted unless such meeting shall have been called by the Board.

NOTICE OF GENERAL MEETINGS.

59. An Annual General Meeting and a meeting called for the passing of a special resolution shall be called by twenty-one days' notice in writing at the least, and a meeting other than an Annual General Meeting or a meeting for the passing of a special resolution shall be called by fourteen days' notice in writing at the least. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting, and, in the case of special business, the general nature of that business. The notice convening an Annual General Meeting shall specify the meeting as such, and the notice convening a meeting to pass a special or extraordinary resolution shall specify the intention to propose the resolution as a special or extraordinary resolution as the case may be. Notice of every General Meeting shall be given in manner hereinafter mentioned to such persons as are, in accordance with the provisions of these Articles, entitled to receive such notices from the Company, and also to the Auditors of the Company for the time being:

Provided that 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.

In every notice calling a meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member.

60. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS.

61. All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the declaration and sanctioning of dividends, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, the election of Directors and Auditors and other officers in place of those retiring by rotation or otherwise, and the fixing of the remuneration of the Auditors and the voting of remuneration to the Directors.
62. No business shall be transacted at any General Meeting unless a quorum is present when the meeting proceeds to business. Save as otherwise provided by these Articles or agreed in writing between the shareholders, at least one Member present in person or by proxy together holding not less than fifty one (51%) of the issued and paid up ordinary shares and entitled to vote shall be a quorum for all purposes. A corporation being a Member shall be deemed for the purpose of this Article to be personally present if represented by proxy or in accordance with the provisions of Section 141 of the Act.
63. If within half an hour from the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Board may determine.
64. The Chairman (if any) of the Board shall preside as Chairman at every General Meeting of the Company.
65. If there is no such Chairman or if at any meeting the Chairman be not present within half an hour after the time appointed for holding the meeting, the Members present shall choose any of the Directors present at the meeting to act, or if one Director only be present he shall preside as Chairman if willing to act. If no Director is present, or if all the Directors present decline to take the chair, the Members present shall choose one of their number to be Chairman.

66. 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 except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty (30) 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.
67. At any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll be demanded by the Chairman, or by any Member. Unless a poll is so demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost, and an entry to that effect in the book of proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such a resolution.
68. If any votes shall be counted which ought not to have been counted or might have been rejected the error shall not vitiate the resolution unless it be pointed out at the same meeting and not in that case unless it shall, in the opinion of the Chairman of the meeting, be of sufficient magnitude to vitiate the resolution.
69. If a poll is duly demanded the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
70. In case of an equality of votes at a General Meeting, whether on a show of hands or on a poll, the Chairman of such meeting shall not be entitled to a second or casting vote.
71. 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 and place and in such manner as the Chairman directs.
72. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the next business is proceeded with.

VOTES OF MEMBERS

73. Subject to any special terms as to voting upon which any share capital may be issued or may for the time being be held on a show of hands every Member who (being an individual) is present in person or (being a government or corporation) is present by a representative duly authorised under Section 141 of the Act shall have one vote. On a poll every Member who is present in person or by proxy shall have one vote for every share of which he is the holder.
74. In the case of joint holders of a share 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.

75. In accordance with Section 141 of the Act a corporation being a Member may by resolution of its directors or other governing body and any government being a Member may by direction of the appropriate authority or an officer of the Government authorised by or under any law authorise such person as it thinks fit to act as its representative at any General 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 powers on behalf of the corporation or government he represents as that corporation or government could exercise if it were an individual Member of the Company.
76. A Member of unsound mind or in respect of whom an order has been made by any court having jurisdiction for the protection of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his committee, *curator bonisor* other person in the nature of a committee or *curator bonis* appointed by such court, and such committee, *curator bonisor* other person may vote on a poll by proxy.
77. 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.
78. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.
79. On a poll votes may be given either personally or by proxy.
80. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer be a government or corporation, either under its common seal (in the case of a corporation) or under the hand of an officer duly authorized or attorney so authorized.
81. A proxy need not be a Member of the Company. Any Member may appoint more than one proxy to attend on the same occasion.
82. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such power or authority duly notarized, shall be deposited at the Office or such other place in Tanzania as may be specified in the notice convening the meeting no less than forty-eight hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, no less than twenty-four hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.
83. The Board may, if it thinks fit, send out with the notice of any meeting, forms of instrument of proxy for use at the meeting and such instruments of proxy shall be in the form following or in such other form as the Board may decide:

FORM OF PROXY

SOKOMBAO INDUSTRIES LIMITED

I/We, being (a) Members(s) of the above-named Company, hereby appoint _____ of or failing him of as my/our proxy to vote for me/us and on my/our behalf at the annual [or extraordinary, as the case may be] General Meeting of the Company to be held on the ____ day of _____ 2... and at any adjournment thereof.

Dated this ____ day of _____, 2...__

Signature: _____

Address: _____

I desire to vote * _____ infavour of
the Resolution(s)
against

[where more than one proxy is appointed add, in respect of number of Shares]

NOTE:- Unless otherwise directed, the proxy holder will vote as he thinks fit and in respect of the Members total holding.

84. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no information in writing of such death, insanity, revocation or transfer shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.
85. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
86. A resolution in relation to any of the following shall require the approval of Members representing at least seventy five per cent. (75%) of the share capital of the Company:
- (a) the adoption of any change to the Articles of Association of the Company, other than a change of name of the Company (which shall be decided by the Board);
 - (b) the consolidation or amalgamation of the Company.

DIRECTORS

1. Unless and until otherwise from time to time determined by a special resolution of the Company, the number of Directors (excluding alternate directors) shall not be less than two and not more than eight in number. If at any time the number of Directors falls below the minimum number fixed by or in accordance with these Articles, the remaining Directors may act for the purpose of convening a general meeting or for the purpose of bringing the number of Directors to such minimum, and for no other purpose. The remuneration of the Directors shall from time to time be determined by the Board.

The first Directors of the Company are:

1. MR. BERNARD OUMA BABU;
 2. MR. AMIN A. H. MANJI
-
88. Unless otherwise determined by the Company in a General Meeting, the Board shall appoint the Chairman of the Board and the Board shall fix his remuneration. The Chairman of the Board shall also be the Chairman of the General Meeting of the Company.
 89. Each Director shall have the power to appoint an alternate Director to act in his place and may at his discretion, remove such alternate Director. A person so appointed shall be subject in all respects to the terms and conditions existing in respect of Directors and each alternate Director, while so acting shall exercise and discharge all functions, powers and duties as a Director of his appointer in such appointer's absence. An acting Director shall *ipso facto* cease to be an alternate Director if his appointer ceases, for any reason, to be a Director: Provided that if any Director retires by rotation or otherwise but is re-elected at the same meeting, any appointment made by him pursuant to this Article which was in force immediately before his retirement shall remain in force as though he had not retired.
 90. All appointments and removals of an alternate Director shall be effected by instrument in writing delivered at the Office and signed by the appointer. A Director exercising the power to appoint an alternate Director shall give prior notice of such appointment in writing to the Secretary of the Board.
 91. Each of the Directors, other than the Chairman of the Board, shall be entitled to remuneration at such rate as the Company in General Meeting may from time to time determine (by ordinary majority) and the Chairman shall be entitled to remuneration at such higher rate as the Company in General Meeting may from time to time determine (by ordinary majority). Any Director holding office for less than a year shall only rank for remuneration in proportion to the period during which he has held office during such year. The Directors (including alternate Directors) shall be entitled to be paid their reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Board or committees of the Board or General Meetings or otherwise incurred while engaged on the business of the Company.

92. Any Director who, by request, performs special services or who otherwise performs services which, in the opinion of the Board, are outside the normal scope of the usual duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise as the Board may determine which shall be charged as part of the Company's ordinary working expenses.
93. A Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a Director or officer of or from his interest in such other company. The Board may also exercise the voting power conferred by the shares in any other company held or owned by the Company in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the members of the Board or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company, and any Director of the Company may vote in favor of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be or be about to become a director or officer of such other company and as such, or in any other manner, is or may be interested in the exercise of such voting rights in the manner aforesaid.
94. Any negotiations in relation to any proposed agreements (whether for the provision of goods and/or services or otherwise) between any Director/Shareholder or associated companies or any person controlled by such shareholder or controlling such shareholder) or any Director ("Related Party") on the one hand and the Company on the other hand (irrespective of whether or not there may be additional parties to such agreements over and above the Company and the Related Party) and all arrangements in relation to such agreements shall be conducted on an arm's length basis and as if between unconnected persons. All such agreements between a Related Party and the Company shall be in writing. Director should not be financially interested in the Company other than as a shareholder and/or Director.
95. A Director shall not require any share qualification.
96. Without prejudice to the last preceding Article and to the provisions for retirement by rotation or otherwise hereinafter contained, the office of a Director shall be vacated in any of the events following, namely if:
- (a) he resigns his office by writing under his hand left at the Office; or
 - (b) he be found lunatic or become of unsound mind or a receiving order is made against him or he compounds with his creditors; or
 - (c) without leave, he is absent, otherwise than on the business of the Company, from meetings of the Board for six consecutive months, and the Board resolves that his office be vacated; or
 - (d) he is prohibited from being a Director by reason of any order made under Sections 325 or 383 of the Act; or

- (e) he is removed either by an extraordinary resolution, or an ordinary resolution of the Company, twenty-eight (28) days' notice of intention to move such resolution having been given.

POWERS AND DUTIES OF DIRECTORS

97. The business of the Company shall be managed by the Board, which may exercise all such powers of the Company as are not by the Act or by these Articles required to be exercised by the Company in General Meeting, subject nevertheless to the provisions of these Articles and of the Act and to such regulations being not inconsistent with such provisions as may be prescribed by the Company in General Meeting, but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if such regulations had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Board by any other Article.
98. The Board may from time to time and at any time by power of attorney under the Company's Seal appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or those conferred upon the Board by this Article) and for such period and subject to such conditions as it may think fit, and such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.
99. The Company may exercise the powers conferred by Section 43 of the Act with regard to having an Official Seal for use abroad and such powers shall be vested in the Board.
100. The Company may exercise the powers conferred by Sections 124 to 127 of the Act with regard to the keeping of a branch Register in any part of the world and the Board may (subject to the provisions of those sections) make and vary such regulations as it may think fit in respect of the keeping of any such Register.

BORROWING POWERS

101. The Directors may exercise all the powers of the Company to borrow, lend and guarantee the repayment of money and to mortgage or charge or otherwise secure its undertaking, assets, 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 Directors may exercise all the powers of the Company to guarantee and become surety for the liabilities, the performance of contracts and the repayment of monies by any person, firm or company and to issue charges, mortgages, debentures or lien to secure performance by the Company of any such guarantee or surety.

102. All cheques, promissory notes, drafts, bills of exchange and other negotiable and transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

MINUTES

103. The Board shall cause minutes to be made in books provided for the purpose of:
- (a) all appointments of officers made by the Board;
 - (b) the names of the Directors present at each Board or Committee meeting;
 - (c) all resolutions and proceedings at all meetings of the Company and of the Board and of the Committees.

The minutes referred to in this Article shall be approved by the Board and shall be signed by the Chairman of the Board. The minutes shall be in English and shall be kept and filed by the Secretary.

MANAGING DIRECTOR

104. The Board may from time to time appoint one or more of its body to the office of Managing Director or Assistant Managing Director for such period and upon such terms as it thinks fit and, subject to the provisions of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall not, while holding such office, be subject to retirement by rotation or taken into account in determining the rotation or retirement of Directors, but his appointment shall (without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company) ipso facto determine if he ceases from any cause to be a Director.
105. A Managing Director or Assistant Managing Director shall receive such remuneration (whether by way of salary, commission or participation in profits, or otherwise) as the Board may determine, and either in addition to or in lieu of his remuneration as a Director.
106. The Board may entrust to and confer upon a Managing Director or Assistant Managing Director any of the powers exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, and either collaterally with or to the exclusion of its own powers, and may from time to time (subject to the terms of any agreement entered into in any particular case) revoke, withdraw, alter or vary all or any of such powers.

SECRETARY

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

108. A provision of the Act or of these Articles requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, the Secretary.

PENSIONS AND ALLOWANCES

109. The Board may grant retiring pensions or annuities or other allowances, including allowances on death, to any person or to the widow or dependants of any person in respect of services rendered by him to the Company as Managing Director, Assistant Managing Director, or in any other executive office or employment under the Company or indirectly as an executive officer or employee of any subsidiary company of the Company or of its holding company (if any), notwithstanding that he may be or may have been a Director of the Company and may make payments towards insurances or trusts for such purposes in respect of any such person and may include rights in respect of such pensions, annuities and allowances in the terms of engagement of any such person.

THE SEAL

110. The Board shall provide for the safe custody of the Seal, which shall not be affixed to any instrument except in the presence of at least two Directors or at least one Director and the Secretary and such Directors or Director and Secretary shall sign every instrument to which the Seal is so affixed in their presence. All forms of certificate for shares, stock or debentures or representing any other form of security (other than letters of allotment, scrip certificates and other like documents) shall be issued under the Seal and bear the autographic signatures of one or more Directors and the Secretary:

Provided that the Directors may resolve that some method of mechanical signature which is controlled by the Auditors, Transfer Auditors or Bankers of the Company be adopted, in which case any such certificate may bear the mechanical ins-d of the autographic signature of a Director.

AUTHENTICATION OF DOCUMENTS

111. Any Director or the Secretary or any person appointed by the Board for the purpose shall have power to authenticate any documents affecting the Company (except the Memorandum and Articles of Association which must be authenticated by the Registrar of Companies) and any resolutions passed by the Board, and any books, records, documents and accounts relating to the business of the Company and to certify copies thereof or extracts therefrom as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

ROTATION OF BOARD

112. Without prejudice to the power of the Company in General Meeting in pursuance of any of the provisions of these Articles to appoint any person to be a Director, the Board shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting and shall then be eligible for reelection but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting.
113. The Company may by special resolution, or by ordinary resolution of which twenty-eight (28) days' notice has been given in accordance with Article 96(e) remove any Director before the expiration of his period of office (but so that such removal shall be without prejudice to any claim such Director may have for breach of any contract of service between him and the Company) and may by an ordinary resolution appoint another person in his stead. The person so appointed shall be subject to retirement at the 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.

PROCEEDINGS OF THE BOARD

114. Save as provided for in these Articles or otherwise agreed in writing between the shareholders, the Board may meet together for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes.
115. Ordinary Board meetings shall be held at least twice a year. The Chairman or any two Directors can call extraordinary Board Meetings at any time.
116. If the quorum of two (2) Directors is not attained at the meeting, a second meeting shall be held within four business days from the date of the first meeting. Upon the reconvening of the meeting, the Director(s) present shall constitute the required quorum provided that the agenda at the reconvened meeting shall be the same as the agenda for the first meeting.
117. The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number be reduced below the minimum number fixed by or in accordance with these Articles the continuing Directors may act for the purpose of filling up vacancies in their body or of summoning general meetings of the Company but not for any other purpose, and may act for either of the purposes aforesaid whether or not their number be reduced below the number fixed by or in accordance with these Articles as the quorum.
118. If at any meeting the Chairman is not present within half an hour after the time appointed for holding the same the Directors present may choose one of their number to be Chairman of the meeting.

119. (a) A meeting of the Board at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Board.
- (b) Provided that the requisite notices are served upon the Directors and subject to the consent of a majority of such Directors, the Directors may conduct their meetings on telephone or through video and all meetings so conducted shall be deemed to have the same status as meetings at which the Directors have physically convened.
- (c) The secretary shall give each Director a written notice (by registered mail (or airmail if the Director resides outside Tanzania) and fax) of any Board meeting. The notice shall provide the agenda, the time and place of the meeting. The notice shall also contain an agenda, background information and all necessary support documentation in relation to all major proposals to be made at the meeting.
- (d) The notice requirements set out above may be waived by a unanimous resolution of the Directors.
120. The Board may delegate any of its powers (other than the power conferred by this Article) to a committee or committees, whether consisting of a member or members of its body or not, as it thinks 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 Board.
121. The meeting and proceedings of any committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board under the last preceding Article.
122. A resolution in writing signed by the majority of Directors entitled to receive notice of a meeting of the Board or passed by the majority of members of a committee or by teleconferencing by phone by a number thereof constituting a quorum, shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Any such written resolution may be contained in one document or in several documents in like form each signed by one or more of such Directors or members of the committee concerned.
123. Every act done by the Board or committee or by any person acting as a Director or member of such committee, notwithstanding it be afterwards discovered that there was some defect in the appointment of such Board or committee or of any person acting as aforesaid or that they or any of them were disqualified or had vacated office, shall be as valid as if every such Board or committee or person had been duly appointed and was qualified and had continued in office down to the time of performance of such act.

DIVIDENDS

124. The Company in General Meeting may from time to time declare dividends to be paid to the Members according to their rights and interests in the profits, but no dividend shall be declared in excess of the amount recommended by the Board.
125. All dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Article as paid up on the share. All dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share be issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
126. The Board may from time to time pay to the Members such interim dividends as appears to the Board to be justified by the position of the Company; the Board may also pay the fixed dividend payable on any preference shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course.
127. The Board may deduct from any dividend or bonus payable to any Member all sums of money (if any) presently payable by him to the Company on account of calls.
128. No dividend shall bear interest against the Company.
129. Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque addressed to the holder at his registered address or, in the case of joint holders, addressed at his registered address to the holder whose name stands first on the Register in respect of the shares or by telegraphic transfer. Every such cheque or telegraphic transfer shall, unless the holder otherwise directs, be made payable to the order of the registered holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable in respect of the shares held by such joint holders.
130. Any general meeting declaring a dividend may, upon the recommendation of the Board, direct payment or satisfaction of such dividend wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and the Board shall give effect to such direction, and where any difficulty arises in regards to such distribution the Board may settle it as it thinks expedient, and in particular may fix the value for distribution of any such specific assets and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to secure equality of distribution.

RESERVES

131. The Board may before recommending any dividend set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company or its holding company, if any) as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to divide.
132. The Board shall transfer to share premium account sums equal to the amount or value of any premiums at which shares of the Company may be issued, and the provisions of these Articles relating to reserves shall be applicable to the sums for the time being standing to the credit of share premium account.

CAPITALISATION OF PROFITS

133. The Company in General Meeting may upon the recommendation of the Board, at any time and from time to time, pass a resolution to the effect that it is desirable to capitalise any part of the amounts for the time being standing to the credit of any of the Company's reserves or to the credit of the profit and loss account or otherwise available for distribution and not required for the payment of the fixed dividends on any preference shares of the Company and accordingly that such sum be set free for distribution among the Members or any class of Members who would be entitled to such profits if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members or partly in one way and partly in the other, and the Board shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve may, for the purposes of this Article, only be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares.
134. Where any difficulty arises in regard to any distribution under the last preceding Article the Board may settle the same as it thinks expedient and in particular may issue fractional certificates or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract requisite or convenient for giving effect thereto and such appointment shall be effective and binding upon the Members.

ACCOUNTS

135. The Board shall cause true accounts to be kept of:
- (a) the sums of money received and expended by the Company and the matters in respect of which such receipt and expenditure take place; and

- (b) all sales and purchases of goods by the Company; and
 - (c) the assets and liabilities of the Company.
136. The books of account shall be kept at the Office or at such other place or places as the Board may think fit and shall always be open to the inspection of the Directors. No Member (other than a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board.
137. The Board shall from time to time, in accordance with section 153 of the Act, cause to be prepared and to be laid before the Company in General Meeting such profit and loss accounts, balance sheets, and reports as are referred to in that section.
138. A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company in General Meeting and of the Directors' and Auditors' reports shall, not less than twenty-one days before the date of the meeting, be sent to every Member and to every holder of debentures of the Company and copies of each of these documents shall at the same time be forwarded to all persons entitled to receive notices of General Meetings of the Company: Provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.

AUDIT

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

NOTICES

140. Any notice or other document may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter or by telex or telecopier addressed to such Member at his registered address as appearing the Company's Register or in any Branch Register. In the case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the Register or Branch Register, and notice so given shall be sufficient notice to all the joint holders.
141. Any Member who is not registered in a Branch Register and who is described in the Company's Register by an address not within Tanzania who shall, from time to time, give to the Company an address within Tanzania at which notices may be served upon him and shall be entitled to have notices served upon him at such address, but save as aforesaid no Member other than a Member described in the Register by an address within Tanzania or registered in a Branch Register shall be entitled to receive any notice from the Company: Provided that any notice which is sent by post to a Member registered in a Branch Register shall not be deemed to have been duly served in pursuance of this Article unless it shall have been posted in the country in which such Branch Register is established.

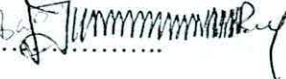
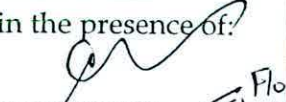
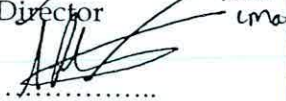
142. Any notice or other document, if served by post, telex or telecopier shall be deemed to have been served at the time when the same was put into the post office, or transmitted by telex or telecopier and in proving such service shall be sufficient to prove that the notice or document was properly addressed, stamped and put into the post office or if by telex or telecopier was actually transmitted.
143. Any notice or other document delivered or sent by post to or left at the registered address of any Member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any share registered in the name of such Member as sole or joint holder unless his name shall at the time of the service of the notice or document, have been removed from the Company's Register or Branch Register as the holder of the share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
144. Save as hereinbefore provided, notice of every General Meeting shall be given to every Member of the Company and to every Director.

WINDING-UP

145. With the sanction of an extraordinary resolution of Members, any part of the assets of the Company, including any shares in or securities of other companies, may be divided among the Members of the Company in specie or may be vested in trustees for the benefit of such Members, and in liquidation of the Company may be closed and the Company dissolved, but, so that no Member shall be compelled to accept any shares whereon there is any liability.

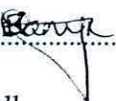
INDEMNITY

146. Subject to the requirements of Section 214 of the Act every Director, Managing Director, Manager, Officer of the Company shall be indemnified out of the funds of the Company against all losses or liabilities incurred by him as such Director, Managing Director, Manager, Officer or Auditor in or about the execution of his duties and no Director or other officer shall be liable for any loss which may be incurred by the Company in execution or in which he is acquitted or in connection with any application under Section 481 of the Act in which relief is granted to him by the court.

NAMES, POSTAL ADDRESSES & OCCUPATION OF SUBSCRIBERS	NUMBER OF SHARES TAKEN BY EACH SUBSCRIBER	SIGNATURE OF SUBSCRIBERS
1. BERNARD OUMA BABU P.O. Box 6777 MOROGORO TANZANIA	Five Hundred Ten (510)	
2. HARWOOD LIMITED C/O MINERVA FIDUCIARY SERVICES (MAURITIUS) LIMITED, SUITE 2004, LEVEL 2, ALEXANDER HOUSE, 35 CYBERCITY, EBENE, MAURITIUS.	Four Hundred Ninety (490)	in the presence of:  Director  Director/Secretary Florinena Secretaries Limited
Total Number of Shares	ONE THOUSAND (1,000)	

DATED as of this 13TH day of JULY, 2011.

WITNESS TO THE EXECUTION BY BERNARD OUMA BABU

Signature..... 
 Names in Full..... **ELKA K. MOTANYA**
 ADVOCATE, COMMISSIONER FOR OATHS & NOTARY PUBLIC
 P. O. Box 17592 - 00500
 NAIROBI - KENYA
 Address.....
 Occupation ... NOTARY PUBLIC

WITNESS TO THE EXECUTION BY HARWOOD LIMITED

Signature..... 
 Names in Full..... *Harwood Limited*
 Address..... *1ere Etage, Immeuble Citanty, 08, Rue Lislet Geoffroy, Port Louis*
 Occupation NOTARY PUBLIC







SOKOMBAO INDUSTRIES LIMITED

- Sustaining Nature -

BOARD MEETING OF THE MEMBERS

OF

SOKOMBAO INDUSTRIES LIMITED

Held in Dar es Salaam on 15th November 2011.

Directors : Mr. Amin A. H. Manji
Mr. Bernard Ouma Babu

SPECIAL RESOLUTION

Resolved unanimously that the company should proceed with project of investment USD 1,525,000 for the proposed Door Manufacturing and other timber products factory at Iringa Mbeya Road, Mafinga, as per the project report submitted to TIC. As indicated in the TIC Application, the project will be funded by Bank loan and shareholders equity.

Further resolved that a copy of this resolution is made available to Tanzania Investment Centre for the purposes of issuance of Certificate of Approval.

There being no other business, the meeting was concluded with the consent of the chair.

Name : Amin A. H. Manji
Director

Name : Bernard Ouma Babu
Director

Date : 15th November 2011.

MKATABA WA MAUZIANO YA KIWANJA.

=MKATABA HUU UMEFANYWA LEO TAREHE 02/12/2011 BAINA YA:

1:1 > MMILIKI MUUZAJI WA KIWANJA. NOBLOCK.....

BWANA NICOLAUS THOMAS TONGA.

MKAZI WA KINYANAMBO, MJI WA MAFINGA.

WA SIMU NO +255 655577531/+255 755577531. POSTAL OFFICE BOX 287
KINYANAMBO,MAFINGA, IRINGA.

1:2 > MNUNUZI WA KIWANJA.

BWANA : SOKO MBAO INDUSTRIES LTD.

POSTAL OFFICE BOX 288 MAFINGA IRINGA.

COMPANY DIRECTOR : MR BERNARD VERDENERD. BABU.
WA SIMU NO 0687999300 .POSTAL BOX NO 288 MAFINGA.

1:3 > WASIMAMIZI WA MNUNUZI WA KIWANJA

BWANA SHAABAN T. MSOLLAH. MKAZI WA MAFINGA IRINGA.

WA SIMU NO 0753 53 61 53 POSTAL BOX 288 MAFINGA, IRINGA.

BWANA EDWINI ELMON. KYANDO MKAZI WA MAKAMBAKO IRINGA.
WA SIMU NO 0759 710139, POSTAL OFFICE BOX 26 MAKAMBAKO IRINGA.

1:4 > MKATABA HUU WA MAUZIANO YA KIWANJA KILICHOPO KINYANAMBO MTAU WA
MTAA WA VIWANDA NJE KIDOGO YA MJI WA MAFINGA.
ULIFANYIKA KWA MAKUBALIANO YA THAMANI YA

SHILINGI 30,000,000/= MILLIONI THERATHINI TU. KWA ENEO LENYE EKARI
18 PESA AMBAZO ALIKABIDHIWA MMILIKI WA KIWANJA HICHO.

MBELE YA MASHAHIDI WAFUATAO.

1.> MNUNUZI Bernard V. Babu SAHIHI  TAREHE 02/12/2011

2.>SERIKALI YA KIJIDI Elwini Elmon SAHIHI  TAREHE 02/12/2011

3.>MUUZAJI WA KWAZA Nico T. Tonga SAHIHI  TAREHE 02.12.2011

41 - FRANK T. TONGA SAHIHI  TAREHE 02/12/2011

4.>SHAHIDI WA KWAZA Shaban T. Msollah SAHIHI  TAREHE 02/12/2011

5.> SHAHIDI WA PILI Edwini Elmon SAHIHI  TAREHE 02/12/2011

SERIKALI
KITONDOJI CHA KINYANAMBO
MJI WA MAFINGA



**DIAMOND
TRUST
BANK**

DTBT/CB/1659/2011

September 5, 2011

The Executive Director
T.I.C.,
Dar es Salaam

Dear sir

RE: SOKOMBAO INDUSTRIES LTD

We wish to inform you that Sokombao Industries Limited is a company promoted by the Mini Group of Companies. The companies in the group enjoy substantial credit facilities with us. These facilities are conducted very satisfactorily.

Sokombao Industries Limited has expressed interest in availing finance from us. Based on our experience of the group we are in principle agreeable to finance them for the funding required for the group, subject to the company complying with our terms and conditions.

Yours truly,
For and on behalf of
Diamond Trust bank Tanzania Limited


Viju Cherian
**COUNTRY MANAGER &
CHIEF EXECUTIVE OFFICER**

Board of Directors:
Abdul Samji
(Chairman)(Kenyan)
(Mrs) Nasim Devji (British)
Hassan Dhalla (Tanzanian)
Mehboob Champsi (Tanzanian)
Fayaz Bhojani (Tanzanian)


Hussain Haji
**RELATIONSHIP MANAGER
CORPORATE BANKING**

Diamond Trust Bank
Tanzania Limited
Head Office
Suite 901, 9th Floor
Harbour View Towers, Samora Avenue
P.O. Box 115
Dar es Salaam, Tanzania

Tel: (255-22) 2114891/2
Fax: (255-22) 2124244

Swift Code: DTKETZTZ
www.dtbafrica.com

TANZANIA



Certificate of Incorporation

Section 15

No 84773

I HEREBY CERTIFY THAT

SOKOMBAO INDUSTRIES LIMITED

.....

.....

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

Given under my hand at Dar es salaam

this 26TH day of JULY**TWO THOUSAND AND ELEVEN.**

.....

Asst. Registrar of Companies



THE UNITED REPUBLIC OF TANZANIA

00218790

Certificate of Incentives

(Section 17 of the Tanzania Investment Act, 1997)

No: 042142

This is to certify that

SOKOMBAO INDUSTRIES LTD

P.O. BOX 285

of address

IRINGA

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

SOKOMBAO INDUSTRIES LTD

Which is located at

PLOT NO. 353, BLOCK H, SADANI ROAD,

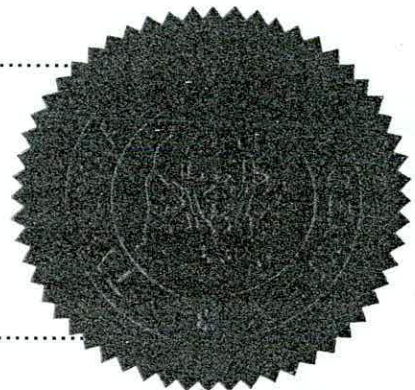
KINYANABO INDUSTRIAL AREA, MAFINGA - IRINGA

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

Ag. Executive Director

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

Dated 22ND MAY 2012



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

1. Shareholders

	Nationality	Shareholding (%)
Bernard V. Obabu	Tanzanian	51
Harwood Ltd	Mauritius	49

2. Proposed Activities : To establish manufacturing facilities for
wooden doors
3. Sector: Manufacturing Subsector Wooden doors

4. Investment cost: Foreign — Local USD 1.525m. Total USD 1.525m.
5. Project Financing:
Equity USD 0.6m. Loans USD 0.925m. Total USD 1.525m.
6. Source, terms and conditions of loan.....

7. Assets to be invested:

	Foreign	Local	Total
Capital items:	—	USD 1.525m.	USD 1.525m.
8. Technology Agreement None
9. Date of TIC Registration: 27th December 2011
10. Implementation period December 2011 - November 2014
11. Operative date December 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
Finished goods are not allowed under this Certificate

Signed 
Ag. Executive Director

TICC/PP.10/042142/3

27th December, 2011

Managing Director,
Sokombao Industries Ltd.,
P.O. Box 285,
IRINGA

**RE: CERTIFICATE OF INCENTIVES FOR INVESTMENT IN THE
ESTABLISHMENT OF MANUFACTURING FACILITIES FOR THE
PRODUCTION OF WORLD CLASS DOORS**

We wish to acknowledge receipt of your project proposal to establish manufacturing facilities for the production of world class doors as presented in the TIC P.A. 1 Form No. 09678 and Feasibility Study with a projected investment of USD 1.525m.

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

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

.../2

TICC/PP.10/042142/3

27th December, 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



R.P. Mbilinyi

AG: 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



TANZANIA INVESTMENT CENTRE

Shaaban Robert Street, P.O. Box 938, Dar Es Salaam, Tel. +255 22 2116328-31, Fax: +255 22 2118253

RECEIPT REC005696

Received from : **SOKOMBAO INDUSTRIES LTD**

No. **00045**

Address **P.O. Box 285 MAFINGA**

Received the sum of (In words): **SEVEN HUNDRED FIFTY AND ZERO CENTS ONLY**



Being payment in respect of **CERTIFICATE OF INCENTIVES FEES**

Amount : **USD 750.00**

Cash / Cheque No: **D/deposit 29/12**

Date : **29-Dec-2011**

J Simba

Receiving Officer

*For Executive Director
Tanzania Investment Centre*



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 BERNARD VERDENERD O. BABU
(director/directors/agent of SOKOMBAO INDUSTRIES LTD.
(name of business enterprise) apply for registration of
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 MAFINGA - IRINGA
TANZANIA

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 MAFINGA

4. The Principal Officers of the Company are

BERNARD VERDENERD O. BABU

AMIN A. MANJI

5. Auditors of the Company are MOSES AB & CO.

P.O. Box - 179, MAFINGA

6. The authorized share capital of the Company is Tshs./US\$ 1,000,000

X 7. The intended capital investment of the Company in terms of Section 2(2) of the Act is Tshs./US\$ 1,525,000 IN THE FIRST YEAR & MORE SUBSEQUENTLY

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

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

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

166,000.00 Being the Registration Fees. *In the event this application is unsuccessful we understand that this fee will not be refunded.*

I, BERNARD VERDENERDIBARU of Post Office Number 285 MAKINGA
OR 6777 MOROGORO

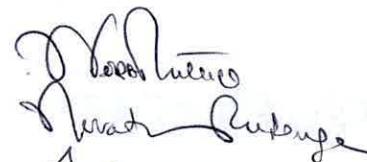
do solemnly and sincerely declare that I am a director/duly authorized agent of SOIKOMBAO INDUSTRIES LIMITED

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 } 

Applicant

Theday of 20.....}

Before me: 
Advocate
Box 76610
Dar es Salaam



.....
Commissioner for Oaths

SKETCH MAP SHOWING PROJECT LOCATION

