



## LETTER OF INTENT

We, MALAIKA INVESTMENTS INC (MII) having our registered office at #17 1<sup>st</sup> Street, Capitol Hill, Monrovia, Liberia, represented by Mr. Ifeanyi Ajuluchukwu with full corporate authority, is pleased to advise that it is ready, willing and able to enter into a long term partnership with BOMBAY FINANCE INDIA (PVT) LIMITED ("BF1") a company registered under Indian companies act and represented by Mr. Satpal Singh Oberari in his capacity as Managing Director and having its registered office at 401 & 412, Chawla Complex. Sector – 16, Plot NO -38, CBD Belapur, Navi Mumbai, 400 614 India.

In this letter of intent the following terms to be implemented as responsibilities between BFI & MII to be included in the MOU

The Sugar refinery should have a production capacity of 4500 tonnes in total and to start with 1500 tonnes per day and it will be a replica of their operations in India. This project will be designed in a modular and scalable structure with the objective to scale up to 4500 tonnes over time.

This will ensure that the plant design cost savings are passed to MII. It will also ensure that the plant being constructed is a tried and tested model. The plant will require a land size of 70 acres

The agreed Sugar Refinery shall be constructed to efficiently run on power from a cogeneration power system using the bagasse from the Sugar plant. The objective will be to self generate power and sell excess power to a captive market directly or in collaboration with the Liberian Electricity Company.

It has been agreed that Bombay Finance will take 65% shareholding of the operating company while MII and their local partners will take 35% shareholding.

The project shall be financed by a combination of equity and debt finance as follows:

- Grants – for technical and financial studies
- Equity – 30% Equity provided by Bombay Finance India
- Debt – 60% Debt from commercial and traditional lenders arranged by Bombay Finance India
- Development Finance - 10% Debt from Development Finance Institutions such as OPIC/AFC/IFC



## RESPONSIBILITIES

### MII

1. MII will be responsible for the acquisition of the land, EIA's work and resident permits and other local approvals required for the plant to be operational.
2. MII will support BFI with the domestic marketing and securing export market for the refinery's products.
3. MII will be responsible for the assuring availability of a Power Purchase Agreements for the excess power to be generated.
4. MII will be responsible for handling government subsidies which will include a 5-year tax holiday in the first 5 years and import duty waiver/concessions during the construction phase of the project.

### BFI

1. BFI will assume responsibility for the day-to-day running of the sugar refinery and the senior management team shall be supervised by a Managing Director and Technical Director appointed by BFI. The Management team will however provide business update to the Board at an agreed frequency which could also be at quarterly Board meetings. The non-executive Chairman of the Board shall be a local and nominated by MII. Each party shall have 3 board members and voting shall be by a simple majority at board meetings.
2. BFI will be responsible for the design, construction, commissioning and operation of the sugar refinery plant. All these costs will be done by the JV Company formed by MII & BFI.

The construction and commissioning of the first phase - 1500 crushing capacity plant will be completed within eighteen months from the signature of the MOU and contractual agreements between MII & BFI

The estimated cost of the plant will be agreed in due time based on the need to factor in the co-generation cost and the potential use of solar power to augment bagasse fuelled power generation. However, the tentative cost of the 1500 tonne project is estimated at US\$14 Million which will include Engineering, Procurement, Construction, Transportation, Installation and Commissioning of the plant as well as the agriculture to cultivate about 7,000 Ha of land.



The project will create an estimated 1000 permanent jobs 200 temporary jobs for Liberia Citizens.

Once our letter of intent is accepted, Detailed MOU will be signed between the parties

Kind regards,

Ifeanyi Ajuluchukwu  
Managing Director

Terms and conditions as per LOI accepted

Mr. Satpal Singh Oberai  
Managing Director – Bombay Finance (India) Private Limited.