

BUSINESS PROPOSAL

***Enterprise.* Runyang Construction Co. Ltd**



RUN YANG

Owners. 1. YEFEI YANG

2. YEQUN YANG

Address: P.O.BOX 2607, DAR ES SALAAM

KINONDONI-REGENT ESTATE.

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Email: runyang_tz@163.com

Type: Construction

Year: 2021

1. EXECUTIVE SUMMARY

1.1 Objectives

To make profit out of the business. Expected profit of Tsh.1,000,000,000.00 within a period of 1 – 3 years. This profit would be through running various civil and building projects with high technology and cost effective to the satisfaction of our clients this will be accomplished by our key competent staff.

1.2 Mission

To deliver high quality projects on time and cost effectively to the satisfaction of our clients through highest workmanship possible

1.3 Keys to Success

- **Highest workman ship**
- **Competent staff**
- **Highest technology**
- **Time boundary**
- **Cost effective**

1.4 Brief Description of the business/Nature of the Business

Runyang Construction Company Limited is a business entity established under company Act 2002 incorporated in July 2010, it is engaged with construction of various project from Private client and Public as well.

The legal form of the business is "company limited by shares" with currently two shareholders.

The main office the company is located on plot number 347 Regent Estate Dar es salaam Tanzania.

The Technical director of the Company is Mr.Yang Yefei who own 99% of the company shares.

The company is financed through equity and loan obtained from various individuals and Commercial banks.

1.5 Brief Profile of Entrepreneur

Mr. Yang Yefei is a Civil Engineer by Professional who studied at Jiangsu building Construction University in 1993 to 1997. He has enough experience in construction industry he has been working with various company in China since 1997 such as Jiangsu baoying Construction co. ltd, Capital Tengfei Construction Company. Ltd and Group Six in Tanzania.

With Runyang Construction Company Limited as Technical director he has been involved in construction of various project in Tanzania such as Avic Town Msasani Mall (Baby Shop) and many more

1.6 Contributions to the Economy

Runyang construction company limited engage in construction of various infrastructure in which is the base of economy and development of the other sector in the country also contribute to the revenue of the company by paying direct tax and indirect tax also provide employment to both skilled and unskilled Tanzanians since in one project can employ from 20 to 50 labourers

2. SECTION I: ECONOMIC AND MARKETING PLAN

● Business background

Runyang Construction Co. Ltd is a construction company established on 8th July 2010 owned by two Directors Mr. Yang Yefei (99% shares) and Mr. Yang Ye qun (1% share) with the purpose to carry building construction in Tanzania, We have been through a large and small projects (building structures) as listed below

SN	project	client	Project cost (USD)
1	Shopping Mall at Pugu Road	Highland Estate Ltd	2,850,000.00
2	Residents Apartment at Mikocheni B	Abdulkadir Sheikh Mohamed	821,515.00
3	Msasani Mall/GSM Mall	GSM group	1,356,000.00
4	Resident apartments at Masaki	Jakaya Mrisho Kikwete	2,200,000.00
5	DG apartment at Mwananyamala	Ms Sabrina Rashid	650,000.00
6	AVIC TOWN	Avic Coastland Development Ltd	2,121,564.80
7	KEDA residential and office block	KEDA Company Limited	717,836.01
8	KEDS ware house	KEDS Company Limited	763,445.92

- **Location:** Main office of our company is situated at Dar es Salaam on plot Number 347 Regent Estate, but the company is capable of executing construction projects throughout all Tanzania regions.
- **Marketing share:** in Construction industry there are about 9000 contractors in Tanzania in which only 1000 are class one contractors and about 300 are building contractors therefore our company is capable to take up to 1% of market share

- **Strategic Plan:** Since the government of Tanzania focus is in infrastructure, we are planning to extend our company from Building Construction to Heavy Civil construction and Real Estate in order to capture more market share, by starting we bought Civil Equipment's Machine including Heavy duty Trucks
- **Key competitors:** In Tanzania we have very few Foreign company in which mostly are Chinese company including our company, Chinese Companies have become more powerful in executing Small to Large projects due to high Technology, Imported cheap building materials, Skilled Staff and Support from Chinese Government therefore our company have very few competitors in Tanzania in which are only few Chinese company owned by The Government of China like CATIC, CRSG, CCECC etc. which are very new to Tanzania while our company was established in Tanzania since 2010 therefore we have competitive advantage in knowing Tanzania Construction industry very well.
- **Main customers and Total demands:** Our company has been doing construction projects from private individuals as seen in market plan but

also, we have started applied for Government tenders though the new system of TANePS therefore we are expected to increase number of projects/Customer through this way as can be seen from this e – procurement the demand is too high, The government strategy is to improve and increase infrastructure for economic development of the country.

- **Project rates:** Our company is like other Chinese companies our price are very low compared to local construction companies since we have competitive advantages of importing construction materials from our fellow Chinese Industry with large discount this help to construct projects at very low cost.
- **Projects Execution Strategy**

Working closely to our clients advising them so that they can get quality project on time and cost effectively with a structure that can be able to sustain all forces and environmental adverse

- **Project Execution programs:**
We have a number of Experts both in site and Office, from Local fundi, Technician, Quantity Surveyors, Architects and Engineers who are experienced and committed to work. Also, we have Enough construction equipment's and Capital there fore it easy to obtain and execute projects in time manner, quality and cost effectively

- **Number of projects forecast**

Details	2022	2023	2024
Individual projects	3	4	5
Government tenders	2	4	6

- **Marketing Budget**

Our costs will base on cost of tendering process and allowance for Staff in doing tendering throughout Tanzania Regions

Tender documents 200,000/= per tender

Tender processing Tsh 150,000/= per tender

Tender Security Tsh 5,000,000/- per Tender

Staff allowance Tsh 650,000/- Per Tender

Number of Tender Per Year is 15

Total cost is Tsh.90,000,000/= annually

3. SECTION II: OPERATION AND TECHNOLOGY PLAN

- **Operation Process**

In project execution we have Technical team which deal with project implementation since when the site is handed to us until we handover a finished project to our client

- **Fixed capital**

Our company have the following fixed capital which help in execution of the project

SN	DESCRIPTION	BOOK VALUE
1	MACHINE AND EQUIPMENT	93,150,000.00
2	MOTOR VEHICLE	211,370,000.00
3	COMPUTER	2,301,000.00
4	FURNITURE	6,554,000.00
5	LAND AND BUILDING	684,940,000.00
TOTAL		998,315,000.00

- **Life of fixed capital**

Life of the building is 50 years and for equipment it is estimated to be 20yrs. The depreciation charges will be 5% on building, 25% FOR Motor vehicle, 12.5% for Plant, Machine and Equipment, 30% for computer equipment, 12.5% for furniture and fittings

- **Source of equipment**

The company own about 80% of equipment required for construction in which the remained percent will be hired when needed

- **Planned capacity**

Regarding to availability of equipment and expertise our company is capable of running up to five sites at once although even when site increase more expertise will be employed and more equipment's will be bought by applying for bank loans

- **Future capacity**

To expand our company from dealing with only building projects in which is capable up to five projects to heavy civil projects in which it is easy to obtain more tenders from government as our Government current strategy is to improve rural and urban roads

- **Office location**

Our company own office building at Regent Estate plot 347, in which is reachable place by all stake holders also we have rent workshop where our construction equipment and building materials are situated about 2Km, this help in implementation of day to day works with minimum time. Also our clients can Visit Office and Workshop at the same time for company assessment

- **Raw materials**

Raw materials most used for construction are Steel bars, Aggregates, Sand, Cement, Timber, Props, Marine board and Other Finishing and Decoration materials in which availability in Dar Es Salaam is easy and other for importation is very easy

- **Cost of raw materials**

Some cost of main building materials are as follows

SN	DESCRIPTION	UNIT	RATE TZS
1	Steel bars	Kg	2,500.00
2	Cement	Bag	15,000.00
3	Aggregates	CM	90,000.00
4	Sand	CM	25,000.00
5	Concrete (C25)	CM	280,000.00
6	Timber 100*150mm	M	9,500.00
7	Marine board	SM	13,000.00
8	Blocks	Pcs	1,500.00

- **Labour**

We have 11 expertise staff i.e 1 Manager, 1 Accountant, 1 Office secretary, 2 Site foreman, 1 Office attendant, 1 Security, 1 Driver, 3 Artisan, but usually we have a number of casual labour employed per project from 20-50 in number depending to type and size of the project.

- **Cost of labour**

The cost of labour range is as follows

SN	POSITION	NET PER MONTH	Number	TOTAL
1	Manager	2,520,000.00	1	2,520,000.00
2	Accountant	800,000.00	1	800,000.00
3	Office Secretary	700,000.00	1	700,000.00
4	Site foreman	550,000.00	2	1,100,000.00
5	Office Attendant	220,000.00	1	220,000.00
6	Security	220,000.00	1	220,000.00
7	Driver	450,000	1	450,000.00
8	Artisan/Local Fundi	450,000.00	3	1,350,000.00
9	Casual Labour	350,000.00	20	7,000,000.00
TOTAL COST PER MONTH PER PROJECT				14,360,000.00

- **Labour availability**

Expert employees have permanent contract there fore are available through out the year and Other Craftsman and Helper They have renewable contract per project wise

- **Labour productivity**

All workers will be paid as indicated on the contract, but there will be fringe benefits as per service.

- **Overhead Expenses per Month**

SN	DESCRIPTION	AMOUNT TZS
1	Bank charges	327,000.00
2	Electricity	503,000.00
3	Insurance	192,000.00
4	Food and Beverages	159,000.00
5	Medical	16,750.00
6	Fuel and Gas	949,000.00
7	Office Expenses	1,066,250.00
8	Printing and Stationaries	41,250.00
9	Professional fees	417,000.00
10	Telephone and internet	32,000.00
11	Spare parts	275,000.00
12	Establishment expenses	184,800.00
Total per month		4,163,050.00

- **Project cost per Square meters**

- ✓ Structural Part only **Tsh 506,000.00**
- ✓ Structural part, Finishing and Decoration **Tsh. 1,035,000.00**

4. SECTION III: MANAGEMENT PLAN

- **Business name and logo**

The name of the proposed business is RUNYANG CONSTRUCTION COMPANY LIMITED, the name RUN YANG is a combination of one English name and Chinese name, Chinese name YANG meaning Light in which it came from the sir name of the C.E.O and Founder Mr. Yefei Yang and English name RUN meaning to go faster, therefore the whole meaning of the name RUNYANG means to run to the direction of light that is the company to achieve its long term objectives it has to follow the right direction.

Business Logo



Business Logo comprise of three Tall buildings surrounded with oval cycle and the company name at the bottom, Tall buildings explain that the company is a construction company mainly specialized in Tall structures.

- **Stories and History of the Business**

Runyang Construction Co.ltd was established on 8th July 2010 owned by two shareholders Mr.Yefei Yang 99% and Mr. Yequn Yang 1%,

Mr. Yang Yefei is a Civil Engineer from University of Jiangsu Building Construction after graduating his bachelor degree and obtaining enough experience from different companies in different countries since 1997 to 2010 he decided to start his own company in Dar es Salaam Tanzania.

- **Legal personality**

Business entity type is a Private Company limited by shares with two shareholders Mr.Yefei Yang 99% and Mr. Yequn Yang 1%,

Being a company limited by shares we have the following advantages

- Liability is limited to the business*
- Easier to raise capital*
- Management is more accountable*
- Has a board of directors*

Though we have the following disadvantages

- Closely regulated by Government*
- Extensive record-keeping*
- Most expensive to start*
- Taxes are charged twice*

- **Bio data of the entrepreneur**

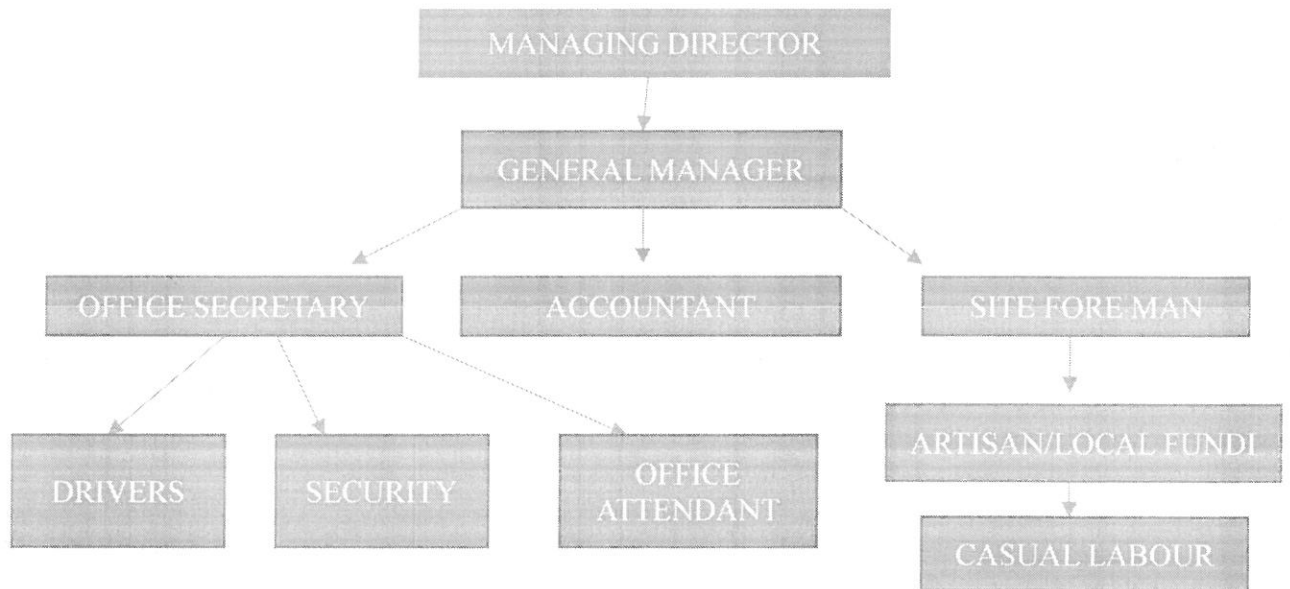
Mr. Yang Yefei is a Civil Engineer by Professional who studied at Jiangsu building Construction University in 1993 to 1997.He has enough experience in construction industry he has been working with various company in China since 1997 such as Jiangsu baoying Construction co. ltd, Capital Tengfei Construction Company. Ltd and Group Six in Tanzania.

With Runyang Construction Company Limited as Technical director he has been involved in constrection of various project in Tanzania such as Avic Town Msasani Mall (Baby Shop) and many more.

Also Mr Yang Yefei is a General Secretary Of the Union of Chinese people residing inTanzania since 2015 to date

- **Management and Labour**

a) Management team



The following are key members of Runyang Construction Co.ltd

- Mr. Yang Yefei- Managing Director
- Mr. Frowin Tibinura -General Manager
- Neema Elias- Office secretary
- Neema Isaac - Accountant
- Kibayo Jumanne -Driver
- Khalfan Mtanga- Driver

These are the main key members, but in construction industry number of members depend on number of projects present at that time, During project execution at site casual labour usually range from 20-30 personnel.

b) Location of Business

Our business is located on Plot number 347 at Regent Dar Es Salaam Behind Kairuki Hospital.
 Tel: +255 222774857
 Mob: +255 767 208 168
 Email: runyang_tz@163.com

- **Salaries and Office Supplies**

- a). **The owner Salary/Managing Director**

Estimated Expenditure	Monthly
House Rent/ Payments	NIL
Electricity	200,000.00
Water	50,000.00
Communications and Telephones	50,000.00
Food, general housekeeping expenses	600,000.00
Clothing	150,000.00
Personal insurance	NIL
Schooling of children	250,000.00
Children's expenditure and presents	200,000.00
Entertainment and videos	60,000.00
Servants	NIL
Transports	200,000.00
Subscriptions to newspapers, etc.	NIL
Medical Expenses	100,000.00
Savings plans	550,000.00
Other Recurring Payments:	200,000.00
Sub-total - Expenditure	2,610,000.00

b). Other Salaries

Positions	Number	Monthly
Manager	1	2,520,000.00
Accountant	1	800,000.00
Office Secretary	1	700,000.00
Site foreman	2	1,100,000.00
Office attendant	1	220,000.00
Security	1	220,000.00
Driver	1	450,000.00
Artisan/ Local fundi	3	1,350,000.00
Casual Labour	20	7,000,000.00
	TOTAL	14,360,000.00

● **Office Supplies**

Office Supplies	Quantity Needed	Monthly (Ts)
Paper		20,000.00
Marker Pen		5,000.00
Pen		5,000.00
Envelope		10,000.00
Paper Clamp		15,000.00
Stapler Pin		5,000.00
Notes stick		5,000.00
	TOTAL	65,000.00

- **Activities Before Operation**

The activities that need to be done prior to normal operation of the proposed business. Some of these are: organizing the business, registering, applying for a loan, waiting for loan releases, buying machinery and equipment, recruiting and training workers, etc.

The activities before the operation are listed and arranged in the table below and are already done.

PRE-OPERATIONAL TIMETABLE

SN	DETAILS	REMARKS
1	Business Organization	✓
2	Registration	✓
3	Loan Application	✓
4	Buying PPE	✓
5	Recruiting employees	✓
6	Operation	In progress

5. SECTION IV: FINANCIAL ANALYSIS

5.3 Investment Plan

Equity Sharing. Based on the total equity required (in the investment plan), each shareholder may now estimate how much money will actually be invested in the business and what share of business ownership will each have. This is important so that each knows what to expect if profit (or losses) are made in future operations.

ITEMS	TOTAL	EQUITY	LOAN
A. FIXED INVESTMENTS			
1. Land, Building & Other Structures	684,940,000.00		
2. Machinery & Equipment	93,150,000.00		
3. Office Equipment	8,855,000.00		
4. Transport Equipment	211,370,000.00		
5. Others			
Total Fixed Investments	998,315,000.00		
B. PRE-OPERATING INVESTMENT			
1. Business Plan Preparation	2,000,000.00		
2. Licenses and Registration	82,420,000.00		
3. Skills and Management Training	3,000,000.00		
4. Trial Production			
5. Others			
Total Pre-Operating Investment (POI)	86,420,000.00		
C. TOTAL INVESTMENTS (A + B)	1,085,735,000.00		
D. WORKING CAPITAL			
DIRECT OPERATING COST			
1. Raw Materials Costs	80,344,950.00		
2. Direct Labour Costs	8,350,000.00		
3. Office Overhead	8,747,000.00		
Total Direct Operating Costs (1)	97,481,950.00		
INDIRECT OPERATING COSTS			
1. Indirect Labour Costs	8,620,000.00		
2. Office Supplies	4,163,050.00		
3. Rentals			
4. Selling & Marketing Cost			
Total Indirect Operating Costs (2)	12,783,050.00		
TOTAL ANNUAL OPERATING COSTS (1+2)	110,265,000.00		
WORKING CAPITAL REQUIRED			
TOTAL PROJECT COST (C + D)	1,196,000,000.00	998,315,000.00	197,685,000.00
DEBT TO EQUITY SHARE (%)	100%	83%	17%
Period in months for WC requirement	6		

5.4 Projected Profit and Loss

Table: Projected Statement of Comprehensive income (Profit & Loss)

ITEMS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Planned Production (Units)	480.00	720	1080	1620	2430
A. SALES	496,800,000.00	745,200,000.00	1,117,800,000.00	1,676,700,000.00	2,515,050,000.00
B. DIRECT OPERATING COST					
1. Raw Materials Cost	80,384,950.00	120,577,425.00	180,866,137.50	271,299,206.25	406,948,809.38
2. Total Labour Cost	8,350,000.00	12,525,000.00	18,787,500.00	28,181,250.00	42,271,875.00
3. Office Overhead Cost	8,747,000.00	13,120,500.00	19,680,750.00	29,521,125.00	44,281,687.50
5. Others (Hiring Specialist, Incentives, Benefits)	0.00				
Total Direct Operating Costs	97,481,950.00	146,222,925.00	219,334,387.50	329,001,581.25	493,502,371.88
C. GROSS PROFIT (A-B)	399,318,050.00	598,977,075.00	898,465,612.50	1,347,698,418.75	2,021,547,628.13
D. INDIRECT OPERATING COSTS					
1. Indirect Labour Costs	8,620,000.00	12,930,000.00	19,395,000.00	29,092,500.00	43,638,750.00
2. Office Supplies	4,163,050.00	6,244,575.00	9,366,862.50	14,050,293.75	21,075,440.63
3. Rentals	0.00	0.00	0.00	0.00	0.00
4. Selling & Marketing Costs	0.00	0.00	0.00	0.00	0.00
Total Indirect Operating Costs before Depreciation & POI	12,783,050.00	19,174,575.00	28,761,862.50	43,142,793.75	64,714,190.63
5. Depreciation	100,242,800.00	83,554,860.00	70,512,055.13	60,241,460.54	52,085,415.63
6. POI Amortization	39,537,000.00	39,537,000.00	39,537,000.00	39,537,000.00	39,537,000.00
E. TOTAL INDIRECT OPER'G COSTS	152,562,850.00	142,266,435.00	138,810,917.63	142,921,254.29	156,336,606.25

F. OPERATING PROFIT (C-E)	246,755,200.00	456,710,640.00	759,654,694.88	1,204,777,164.46	1,865,211,021.87
G. INTEREST (10%)	19,768,500.00	15,814,800.00	11,861,100.00	7,907,400.00	3,953,700.00
H. PROFIT BEFORE TAX (F-G)	226,986,700.00	440,895,840.00	747,793,594.88	1,196,869,764.46	1,861,257,321.87
I. TAX (30%)	68,096,010.00	132,268,752.00	224,338,078.46	359,060,929.34	558,377,196.56
K. PROFIT (H-I)	158,890,690.00	308,627,088.00	523,455,516.41	837,808,835.12	1,302,880,125.31
L. BEP (E/C) * 100%	38.21	23.75	15.45	10.60	7.73

5.5 Projected Cash Flow

Table: Projected Cash Flow

ITEMS	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales						
A. Cash In-Flow						
1. Cash	0.00	448,917,000.00	736,854,000.00	1,117,800,000.00	1,676,700,000.00	2,515,050,000.00
2. Receivables	0.00	47,883,000.00	8,346,000.00	0.00		
3. Equity	998,315,000.00	0				
4. Fixed Investment Loan	100,000,000.00	0				
5. Working Capital Loan	97,685,000.00	0				
6. Beginning Cash Balance		110,265,000.00	369,398,490.00	761,580,438.00	1,355,548,009.54	2,253,598,305.20
Total Cash In-Flow	1,196,000,000.00	607,065,000.00	1,114,598,490.00	1,879,380,438.00	3,032,248,009.54	4,768,648,305.20
B. Cash Out-Flow						
1. Total Investment	1,085,735,000.00	0.00	0.00	0.00	0.00	0.00
2. Direct Operating Costs	0.00	97,481,950.00	146,222,925.00	219,334,387.50	329,001,581.25	493,502,371.88
3. Indirect Operating Costs bef. Dep'n & POI	0.00	12,783,050.00	19,174,575.00	28,761,862.50	43,142,793.75	64,714,190.63
4. Interest	0.00	19,768,500.00	15,814,800.00	11,861,100.00	7,907,400.00	3,953,700.00
5. Tax	0.00	68,096,010.00	132,268,752.00	224,338,078.46	359,060,929.34	558,377,196.56
Total Cash Out-Flow	1,085,735,000.00	198,129,510.00	313,481,052.00	484,295,428.46	739,112,704.34	1,120,547,459.06
C. Net Cash (A-B)	110,265,000.00	408,935,490.00	801,117,438.00	1,395,085,009.54	2,293,135,305.20	3,648,100,846.14
D. Loan Payments						

1. Principal For Fixed Investment Loan	0.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
2. Principal for Working Capital Loan	0.00	19,537,000.00	19,537,000.00	19,537,000.00	19,537,000.00	19,537,000.00
Total Loan Payments	0.00	39,537,000.00	39,537,000.00	39,537,000.00	39,537,000.00	39,537,000.00
E. Ending Cash Balance (C-D)	110,265,000.00	369,398,490.00	761,580,438.00	1,355,548,009.54	2,253,598,305.20	3,608,563,846.14
Growth/p.a. based on year zero		3.4	6.9	12	20	33

5.6 Projected Balance Sheet

Table: Projected Statement of Financial Position (Balance Sheet)

ITEMS	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
1.1 ASSETS						
1.1 CURRENT ASSETS						
1. Cash	197,685,000.00	369,398,490.00	761,580,438.00	1,355,548,009.54	2,253,598,305.20	3,608,563,846.14
2. Receivables	0.00	47,883,000.00	8,346,000.00	0.00	0.00	0.00
Total Current Assets (A)	197,685,000.00	417,281,490.00	769,926,438.00	1,355,548,009.54	2,253,598,305.20	3,608,563,846.14
1.2 FIXED ASSETS						
1. Land, Building & Other Structures	684,940,000.00	684,940,000.00	684,940,000.00	684,940,000.00	684,940,000.00	684,940,000.00
2. Machinery & Equipment	93,150,000.00	93,150,000.00	93,150,000.00	93,150,000.00	93,150,000.00	93,150,000.00
3. Office Equipment	8,855,000.00	8,855,000.00	8,855,000.00	8,855,000.00	8,855,000.00	8,855,000.00
4. Transport Equipment	211,370,000.00	211,370,000.00	211,370,000.00	211,370,000.00	211,370,000.00	211,370,000.00
Total Fixed Assets	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00
1. Accumulated Depreciation	0.00	100,242,800.00	183,797,660.00	254,309,715.13	314,551,175.67	366,636,591.29
Book Value of Fixed Assets (B)	998,315,000.00	898,072,200.00	814,517,340.00	744,005,284.88	683,763,824.33	631,678,408.71
Total Assets (A+B)	1,196,000,000.00	1,315,353,690.00	1,584,443,778.00	2,099,553,294.41	2,937,362,129.53	4,240,242,254.85

2. LIABILITIES & EQUITY						
2.1 CURRENT LIABILITIES						
1. Account Payable	0.00	0.00	0.00	31,191,000.00	70,728,000.00	110,265,000.00
2. Working Capital Loan	97,685,000.00	80,000,000.00	60,000,000.00	40,000,000.00	20,000,000.00	0.00
Total Current Liabilities (D)	97,685,000.00	80,000,000.00	60,000,000.00	71,191,000.00	90,728,000.00	110,265,000.00
2.2 LONG TERM LIABILITIES						
1. Fixed Investment Loan	100,000,000.00	78,148,000.00	58,611,000.00	39,074,000.00	19,537,000.00	0.00
Total long Term Liabilities (E)	100,000,000.00	78,148,000.00	58,611,000.00	39,074,000.00	19,537,000.00	0.00
3. EQUITY						
1. Owner's Equity	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00	998,315,000.00
2. Profit of Previous Period	0.00	0.00	158,890,690.00	467,517,778.00	990,973,294.41	1,828,782,129.53
3. Current Profit	0.00	158,890,690.00	308,627,088.00	523,455,516.41	837,808,835.12	1,302,880,125.31
Total Equity (F)	998,315,000.00	1,157,205,690.00	1,465,832,778.00	1,989,288,294.41	2,827,097,129.53	4,129,977,254.85
TOTAL LIABILITIES & EQUITY (D+E+F)	1,196,000,000.00	1,315,353,690.00	1,584,443,778.00	2,099,553,294.41	2,937,362,129.53	4,240,242,254.85
ROI = (Profit/Total Assets)*100%	0.00	12.08	29.51	47.20	62.26	73.86

5.7 Sensitivity Analysis - Business Ratios

Return on Investment for Year one Is 12% which will increase to 74% on year Five. This show that Investment will be returned as planned.

5.8 Equity Sharing

Based on the total equity required, which amount to Th.998,315,000.00 and since sharehoders ration is 99% to 1% ,therefore

Mr. Yang Yefei (99%) Tsh.988,331,850.00

Mr. Yang Yechun (1%) Tsh. 9,983,150.00

5.9 Collateral Offered

The company own Land and Building which is used for Office purpose located on plot number 347 Regent Estate. The current Book Value of the property is Tsh.684,940,000.00 Therefore this one will be placed as Security for loan which amount to Tsh.197,685,000.00 that is about 29% of the Collateral.

5.10 Loan Repayment Schedule

The loan of 100,000,000.00 will be paid over 4 year's period. The payment schedule is as follows;

Year	Amount of Principal Outstanding	Installment due payable at 10%	Interest Amount	Total
1	100,000,000	20,000,000	10,000,000	30,000,000
2	80,000,000	20,000,000	8,000,000	28,000,000
3	60,000,000	20,000,000	6,000,000	26,000,000
4	40,000,000	20,000,000	4,000,000	24,000,000
5	20,000,000	20,000,000	2,000,000	22,000,000
	Total	100,000,000	30,000,000	130,000,000

The loan of 97,685,000.00 will be paid over 5 year's period. The payment schedule is as follows;

Year	Amount of Principal Outstanding	Installment due payable at 10%	Interest Amount	Total
1	97,685,000	19,537,000	9,768,500	29,305,500
2	78,148,000	19,537,000	7,814,800	27,351,800
3	58,611,000	19,537,000	5,861,100	25,398,100
4	39,074,000	19,537,000	3,907,400	23,444,400
5	19,537,000	19,537,000	1,953,700	21,490,700
Total		97,685,000	29,305,500	126,990,500

5.11 Conclusion

- In conclusion from the data above loan can be repaid as planned
- The project is profitable as can be seen from BEP, ROI and Other profitable ratios
- Apart from that the project generate employment to number of citizens from skilled to unskilled labour
- Also, the project contributes to the economy of the country through various taxes such as Income tax as shown above.