



PRE-FEASIBILITY STUDY REPORT ON:

INVESTMENT FOR INDUSTRIAL PARK FOR LEASE

Presented To:

TANZANIA INVESTMENT CENTRE

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, P.O.BOX 140

PWANI, TANZANIA

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GOODWILL (T) CERAMIC COMPANY LIMITED
Strategic Pre-feasibility Report

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*This profile is strictly for information only and projections in the pre –feasibility study report have been compiled by the consultant with close cooperation of the Promoters of the Business the **GOODWILL (T) CERAMIC COMPANY LIMITED** and Sector Experts for illustrative purposes and do not constitute actual forecasts.*



GOODWILL (TANZANIA) CERAMIC CO. LIMITED

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1. Executive Summary

Company & Project concept

GOODWILL (T) CERAMIC COMPANY LIMITED is a private company incorporated in the United Republic of Tanzania under the Companies Act of 2002. The Company was incorporated on the 17th April 2012, and bears the Certificate of Incorporation number 87800. The company is also registered by Tanzania Revenue Authority and given a Tax Identification Number 117-109-488 issued on 27 April 2012. Company implements project which is under building sector and we wish to register a new project under industrial park for lease.

GOODWILL (T) CERAMIC COMPANY LIMITED project will be located at Plot 12-18 Block No A, Pwani Region. The outreach Office is located at Mkiu Mkuranga, Pwani Region.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and investors.

Company Goals and Objectives:

In Summary **GOODWILL (T) CERAMIC COMPANY LIMITED**

Aims to;

- Lease constructed Real Estate sized 28,974SQ. FT for the purpose of Apartments, Offices and factories which will accommodate other buildings, which shall be used as administration offices and new developments and increase in residents, retail establishments, Building and other amenities quickly pop up to service the growing population.
- Manage **GOODWILL (T) CERAMIC COMPANY LIMITED** by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involvement
- Build relationships with investors in Real Estate and leasing Factories and industries But also building sector,
- Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors.
- Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.



Purpose of Business Plan

This document is prepared to serve the purpose as a Pre-feasibility study report for **GOODWILL (T) CERAMIC COMPANY LIMITED** for investment in Industrial park for lease. In addition, the Pre-feasibility study report shall be submitted to TIC for an award of Certificate of Incentives. The implementation of this project will comprise the following activities:-

- Construction of a Real Estate sized 28,974SQ. FT for the purpose of Apartments, Offices and factories which will accommodate other buildings, which shall be used as administration offices and new developments and increase in residents, retail establishments, Building and other amenities quickly pop up to service the growing population.
- New construction properties offer better construction and more advanced, longer-lasting building materials than resale properties, leasing of factory building.
- Fulfillment and Control. Owning investment properties comes with other benefits that are not financial. When you own investment real estate, you are your own boss, which is fulfilling too many investors. You can also make a difference in your community, providing homes for renters or bringing businesses to commercial properties that will provide much-needed services to their communities.
- Protection against Inflation. Real estate investments are considered protection against inflation. When the prices of goods and services are rising, home values and rents typically increase, too. Investment properties, then, can provide you with rising monthly income and appreciation to help protect you financially when the cost of everything else is going up, too.

GOODWILL (TANZANIA) CERAMIC CO. LIMITED



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The project promoter, the project will be managed and operated by **GOODWILL (T) CERAMIC COMPANY LIMITED** is owned by Chinese citizens from China with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Shenzhen Board Supply chain Management Company Ltd.	Chinese	75%
Yi Rong Investment Management (shanghai) Co. Ltd	Chinese	25%

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number. Justify that **GOODWILL (T) CERAMIC COMPANY LIMITED** is operating within the ambit of the law of the Land

Project Organization Structure, the management of **GOODWILL (T) CERAMIC COMPANY LIMITED** constituted by the following organization set up: - Board of Directors, General Manager who is responsible on the supervision on the entire operations of the Company, a company accountant, a Production Manager who will be directly responsible for all matters pertaining Industrial park for leasing.

Investment Structure, the project is estimated to cost 150,000,000 million USD the money covers building structures but also allocated fund include investment in, Building

GOODWILL (TANZANIA) CERAMIC CO. LIMITED



P.O.BOX 140, MKURANGA - PWANI

Structure, Machineries and Equipment, furniture and fittings, pre expenses and working Capital. The equity contributed by the shareholders is 150,000,000 USD equivalents to 100%. However, a financial policy of the Company state that the profits generated will be re-invested

Forecasted financial Information, Financial information of **GOODWILL (T) CERAMIC COMPANY LIMITED** is projected within five years. The company projected profit and Loss, account show a respectable turnover (for reference you shall see table on page 24)



2. Statement of Purpose

This Profile is drawn for seeking CERTIFICATE OF INCENTIVES from the TANZANIA INVESTMENT CENTRE and pre –feasibility study report for Commercial Building Leasing.

2.1 Purpose of Investment

This document is prepared to serve the purpose as a feasibility study for **GOODWILL (T) CERAMIC COMPANY LIMITED** for establishment of Industrial Park for leasing at Plot 12,13,14,15,16,17 and 18, Block A, located at Mkiu, Mkuranga District, Coastal Region for the usage of General and Special industry purposes in the name of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED. The implementation of the project will comprise of the following:-

- Construction of Estate, Apartment and commercial Building which will facilitate new developments and increase in residents, retail establishments, schools, and other amenities quickly pop up to service the growing population.
- Research study of market is showing consideration in purchasing a new property in areas where employment, shopping, and other important amenities are a long commute away may put you too far ahead of the curve and dampen your investments rental prospects.
- Fulfillment and Control. Owning investment properties comes with other benefits that are not financial. When you own investment real estate, you are your own boss, which is fulfilling too many investors. You can also make a difference in your community, providing homes for renters or bringing businesses to commercial properties that will provide much-needed services to their communities.
- Protection against Inflation. Real estate investments are considered protection against inflation. When the prices of goods and services are rising, home values and rents typically increase, too. Investment properties, then, can provide you with rising monthly income and appreciation to help protect you financially when the costs of everything else is going up, too.



2.2. Investment financing plan

The company expects to invest USD 150,000,000 from shareholders' funds. Profits generated from business operation will be re-invested. There could be a need for a loan from commercial banks in the future for extension of the project as the investor has set aside 100% of 150,000,000 USD for the investment in phase one up to the last phase. Table below show the assumptions how the investment-financing plan will look like.



**TABLE 1
FINANCING**

<i>Financing</i>	\$
Owner's equity	
Cash	70,000,000
Contributed asset value	80,000,000
Total	150,000,000

**TABLE 2
INVESTMENT COST PLAN**

<i>COST INVESTMENT STRUCTURE</i>	\$
Current assets	
Working capital	65,000,000.00
Property and equipment	
Land	10,000,000
Building	10,000,000
Equipment	17,500,000
Furniture and fixtures	17,500,000
Motor Vehicles	3,175,000
Other	26,000,000
Pre- Expenses	15,000
Total assets	150,000,000



2.3 Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Provide an opportunity for availability of factory building for rent
- Increase 100 direct and indirect employment opportunities.
- Direct Domestic investment of more than \$150M within 2024 -2028.
- Increase tax contributed to the government
- Generate foreign currency.

3. BUSINESS DESCRIPTION

GOODWILL (T) CERAMIC COMPANY LIMITED is a private company incorporated in the United Republic of Tanzania under the Companies Act of 2002. The Company was incorporated on 17 April 2012, and bears the Certificate of Incorporation number 87800. The company is also registered by Tanzania Revenue Authority and given a Tax Identification Number 117-109-488 issued on 27 April 2012. Company implements project which is under building sector and we wish to register a new project under industrial park for lease.

The Company will be responsible among others activities, operating and managing developer activities.

3.1.1. Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates Justify that **GOODWILL (T) CERAMIC COMPANY LIMITED** is operating within the ambit of the law of the Land.

3.1.2. Mission and Vision

The company vision is to be one of the leading companies in developing buildings.

The current mission of the company is to penetrate the markets within real estate sector in Tanzania. The company can achieve this through

- Apartment Buildings, Industrial Park and residence buildings and Offices.



- Establishing sustainable business relationship with Real Estate companies and other Factories and office but also Apartment and residence buildings.
- Proper and reasonable remuneration of the personnel
- Continuing networking with our esteemed clients.

3.1.3. Project Promoters

The project promoter, the project will be managed and operated by **GOODWILL (T) CERAMIC COMPANY LIMITED**. Chinese citizens own the Company with diverse business in China. Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
Shenzhen Board Supply chain Management Company Ltd	Chinese	25%
Yi Rong Investment Management (shanghai) Co. Ltd	Chinese	75%

3.1.4. Operations

GOODWILL (T) CERAMIC COMPANY LIMITED. The Company has not acquired Derivative right of the mentioned land and we are seeking further permits such as Certificate of Incentives for the Industrial park Leasing from TIC and there after consent shall be requested so as tenants can occupy the mentioned industrial park, office and Apartments

3.1.5. Project Location

The project shall be implemented at constructed Real Estate, administration block that is within a 4 acres land each which is spacious to accommodate project of this nature. The project shall be located at Plot 11 situated at Saeni Kibaha Township, Block. No E.

3.1.6. Postal Address

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED

P. O. Box 140,
PWANI,
TANZANIA.



4. Core Activities of the company

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will be dealing with Establishing and operating the following facilities;

4.1.1. Construction of building and real Estate facilities

In the first phase of the implementation of this project, the Company has constructed administration buildings that shall be used to accommodate installation of Machineries and Equipment's, administration offices and accommodation.

4.1.2. Commercial Buildings and Industrial Park for lease

This consists of the Apartment Building, Commercial offices and Factories, which will be allocated on plots number 12,13,14,15,16,17 and 18, Block A, located at Mkiu, Mkuranga District, Coastal Region for the usage of General and Special industry purposes in the name of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED., administration and residence blocks as well.

4.2. Technical requirements of the project

The project implementation had required some of technical facilities and skills among others include -

- Machines making facilities manufacturing friendly
- Trucks, forklifts for moving cargos from one place to another
- Excavator
- Professional engineers for consulting and construction of the buildings

GOODWILL (TANZANIA) CERAMIC CO. LIMITED



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5. REAL ESTATE INDUSTRY

5.1 REAL ESTATE SECTOR IN TANZANIA

The value of Tanzania's properties accounted for 3.7% of the country's GDP (USD1.8b) in 2014, compared to USD1b in 2009, representing an increase of 63%. The increase is mostly driven by the increasing demand for urban accommodation and the fast-growing Tanzanian population. Currently (2016), the population of Tanzania is estimated to be 54.85m and is expected to more than double by 2050. The development of properties in Tanzania is mostly focused on the commercial capital Dar es Salaam, but also on other major urban centers such as Mwanza, Arusha and Mbeya, due to growth in agriculture, mining and tourism sectors. The demand for properties in Tanzania is estimated at 200,000 houses annually, which results in a current housing shortage of 3m houses.

Alternative building materials are being explored as a way to deliver these houses on a rapid scale, according to the Centre for Affordable Housing Finance in Africa (CAHF). The Tanzanian housing demand has been boosted by easier access to mortgages, with the number of mortgage lenders in the market increasing from 3 in 2009 to 21 in 2015. The average mortgage interest rate in Tanzania fell from 22% to 16% during the same period.

Tanzania Housing Properties Rentals Property rentals in Tanzania are higher than those found in Kenya's capital, Nairobi for example where a one-bedroom apartment in the city center could be rent at around USD 444.5 a month while in Dar es Salaam it is at an average of USD 775.3 a month. Out of the Dar es Salaam city center, to rent a one-bedroom apartment can cost up to USD 514.34 a month. Tanzania Housing Properties Price Housing price per square meter averages USD 1,200.

5.2 IMPORTANCE OF REAL ESTATE SECTOR IN TANZANIA

The reason why Tanzania needs a vibrant real estate sector today is to ensure economic independence in the long run. This can be achieved because of different advantages attached to the real estate sector, which include: Firstly **Ability to Leverage Funds**, When investing in real estate you probably cannot afford to buy properties in full. After



all, that single-family home you plan to rent might cost \$200,000 or more. That is where advantage comes in. Advantage in real estate means you are using other people's money to purchase properties. In this case, you will take out loans from banks, mortgage lenders or credit unions and pay them back over time. This allows you to add to your real estate holdings without spending the full amount of money you would need to buy them on your own. Secondly **Portfolio Diversification**. Another benefit of investing in real estate is its diversification potential. Real estate has a low and in some cases negative correlation with other major asset classes. This means the addition of real estate to a portfolio of diversified assets can lower portfolio volatility and provide a higher return per unit of risk. Thirdly, **Build Equity and Wealth**. As you pay down a property mortgage, you build equity an asset that is part of your net worth. In addition, as you build equity, you have the advantage to buy more properties and increase cash flow and wealth even more.

Fourthly, **Appreciation**. Real estate investors make money through rental income, any profits generated by property-dependent business activity, and appreciation. Real estate values tend to increase over time, and with a good investment, you can turn a profit when it is time to sell. Rents also tend to rise over time, which can lead to higher cash flow.

. Fifthly, **improving Buildings**, as technology has improved, so has our ability to save water and electricity. Building standards have changed to support more sustainable and environmentally conscious design. Whether real estate developers are building new properties from the ground up or renovating old ones, they can consider these new standards. This enables them to produce buildings that are cooler in summer, warmer in winter and place less strain on the electrical grid. In addition, newer buildings are typically safer and more resilient against the elements owing to advances in engineering.



5.3 DEVELOPERS IN TANZANIA

Currently Tanzania has many developers, they are increasing each day, and hence they contribute a lot to accommodating industries and many other investments in Tanzania.

5.4 PROJECT JUSTIFICATION

The proposed project is under management of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED in line with Tanzania Government efforts in attempt to revamp the economy and attract many investors as possible in different sectors. The recent drive of attracting investors in Tanzania in order to maximize its annual earnings from investment and compete effectively with regional competitors. This also has been complemented by following measures

- i. The government is making a critical review of all existing laws and regulations, taxation and policies with ultimate aim of improving and creating conducive environment for private sector Investment, tourism sector is inclusive.
- ii. In 2007/2008, the Government reviewed the existing Industry and trade Policy, taking into consideration the social economic base and the dynamism of Manufacturing and other industries in Tanzania.
- iii. In depth studies have been carried out in the following area
 - SMEs development study



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- Trade Integration Strategy, 2015-2023

Regarding the initiative undertaken by GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED sponsors, is justified by the following facts.

- The sponsors have a special invested interest in real estate and manufacturing, they have several years of experience in the mentioned fields.

Therefore, the establishment and operation of Commercial buildings will boost and at the same time strengthening real estate sector in Tanzania. The Company is marketing strategy, intention is to have a wide field of getting commercial buildings hence that is why they have started with this project, and they intend continuing with similar projects in the future.

5:5 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- Improve and increase development of buildings in Tanzania
- Increased competitiveness among estate developers in Tanzania
- The project will provide employment for more than 100 people direct and indirect
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.



6. OPPORTUNITY DRIVERS

6.1 Increased demand of Commercial Buildings in Tanzania

Tanzania now is witnessing the tremendous developments of technology advancement. In addition, there are many investors coming to invest in Tanzania so there has been a very huge demand in commercial buildings where investors can establish their projects.

6.2 Uniqueness location of the project

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED's project is located in a prime area in Tanzania. Location of the Project is surveyed plots number 12, 13, 14,15,16,17 and 18, Block A, located at Mkiu, Mkuranga District, Coastal Region. The location of this project provides an opportunity to GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED. To capture easily the market all around Tanzania and neighboring countries since it is 500 meters from the Morogoro road that goes up country and it has easy accessibility, which is a huge attraction for potential clients to come and lease our Real estate.

6.3 Government Policy

The Government of Tanzania has made the policy that intends to improve and promote Investment sector. This sector employs many people and it is a key driver towards transforming and developing the national economy.

6.4 Government Incentives package

In 1997, Tanzania Government enacted Investment law that offers and guaranteed reasonable incentives to both local and foreign investors.



7. Analysis of Strengths, Weaknesses, Opportunity and Threats

Table below present the analysis of the company's Strengths, Weaknesses, Opportunities and Threats (SWOTS)

<p>Strengths</p> <ul style="list-style-type: none"> ▪ It has a strong equity financing ▪ Strong management and well-paid personnel ▪ Has a will to expand ▪ Access to reliable high technology 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▪ Not yet emphasize on the marketing
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Good government suitable facilitative policy ▪ Raising investments real estate sector ▪ Government development power supply project in Tanzania 	<p>Threats</p> <ul style="list-style-type: none"> ▪ Unawareness of the new entrants in the Industry in the same location ▪ Increment of inflation ▪ Presence of fake suppliers of the same products.

The company has prepared for the action plans by doing the following:

1. In future if needs arises the Company may seek more funds from bank to finishing phases of this project.
2. The company will employ expatriates for marketing of its products/services and develop marketing plan.



8. Marketing Information

8.1. Marketing Strategy

8.1.1. Overview

Providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic, will achieve the success of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED. Today's market requires more than just products and service to make GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED successful. GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

The kind of commercial buildings we have can be used for Commercial and industrial lease for office building, Apartment and many other sectors of investment. With the advancement of science and technology, the development of the national economy and the improvement of people's living standards.

Management will endeavor to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales.

8.1.2. Customer Database

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; coupons; etc. The database will be gathered and maintained on special database software GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' sign-up book with promotional signage; menu insert promotion; etc.

8.1.3. Advertising

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will adopt an aggressive advertising strategy. Outdoor signage for GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will describe outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure.



GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will utilize both traditional non-traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will adopt towards the use of traditional advertising such as radio, newspaper, billboards or television and social media.

8.1.4. Costing and Pricing

The management of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED does the costing and pricing. The costing takes into consideration various aspects depending on the cost, which has which will be incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e. they are business- oriented personnel.





8.1.5. Customers

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED is targeting to all regions in Tanzania and outside of Tanzania specifically targeting the following customers: local and foreigners. Which will improve their economic circumstances. In small towns, real estate development attracts more residents, and in urban areas, real estate development can rejuvenate regions that have lost their earlier appeal. These developments help maintain or even improve local property prices, which also aids the local economy.

8.1.6. Service

As it has been explained in preamble chapters, GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will be offering service of leasing the commercial buildings such as warehouses, administration office and residence for accommodation at 12,13,14,15,16,17 and 18, Block A, located at Mkiu, Mkuranga District, Coastal Region. GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED as real estate developers has a **positive impact can be far-reaching for local communities**, turning small hamlets into sustainable towns. Without real estate development, we would not have homes, shops, schools, hospitals, and other essential buildings to protect us from the elements and service our needs. The reason why real estate development is important is that it supports progress in our society.

8.2 Marketing Plan

The company has both short term and long-term marketing plan:

The short-term marketing plan includes:

- Participating in business show case exhibitions
- Building sustainable long-term relationship with relevant developers and government agencies.
- Training of sales staff and Marketing personnel.

Long Term Plans includes:

- Join to the network of developers and attend and business show cases, conferences and any related gathering that shall pose as a valuable opportunity
- Investing Market Research and Development



9. Management & Administration

9.1. Management

The management team of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED Planned to be constituted by the following management team: -

9.1.1. Board of Directors

The board of Directors manage GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED, which is the apex body for strategic decision making of the project. Directors of the Company are the ones who having shares in GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED, The Company that shall manage this project.

9.1.2. General Manager

Immediate after Board of Director the shall be a General Manager who will be responsible to take care of mater pertaining operation and managing daily activities of the project as well as other staff welfare and report them to the board of directors.

9.1.3. Estate Manager

Estate Manager will be employed who expected to have an extensive background in the real estate industry. As the real estate Manager will be directly responsible for overseeing of the estate wellbeing and whether there shall be need to fix or add anythingthe estates manager shall advise the superior and the task shall be in consideration or done as soon as possible depending on the urgency.

Under the real estate manager, there shall be reasonable number of technical staff who will be involved in daily operations within this project.

9.1.4. Accountant/cash

An accountant will be employed who is expected to have good experience in accounting system as well as he will be responsible in managing cash of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED but also keeping books of accounts properly.

9.1.5. Management Agreements

Management Agreements will be executed between GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

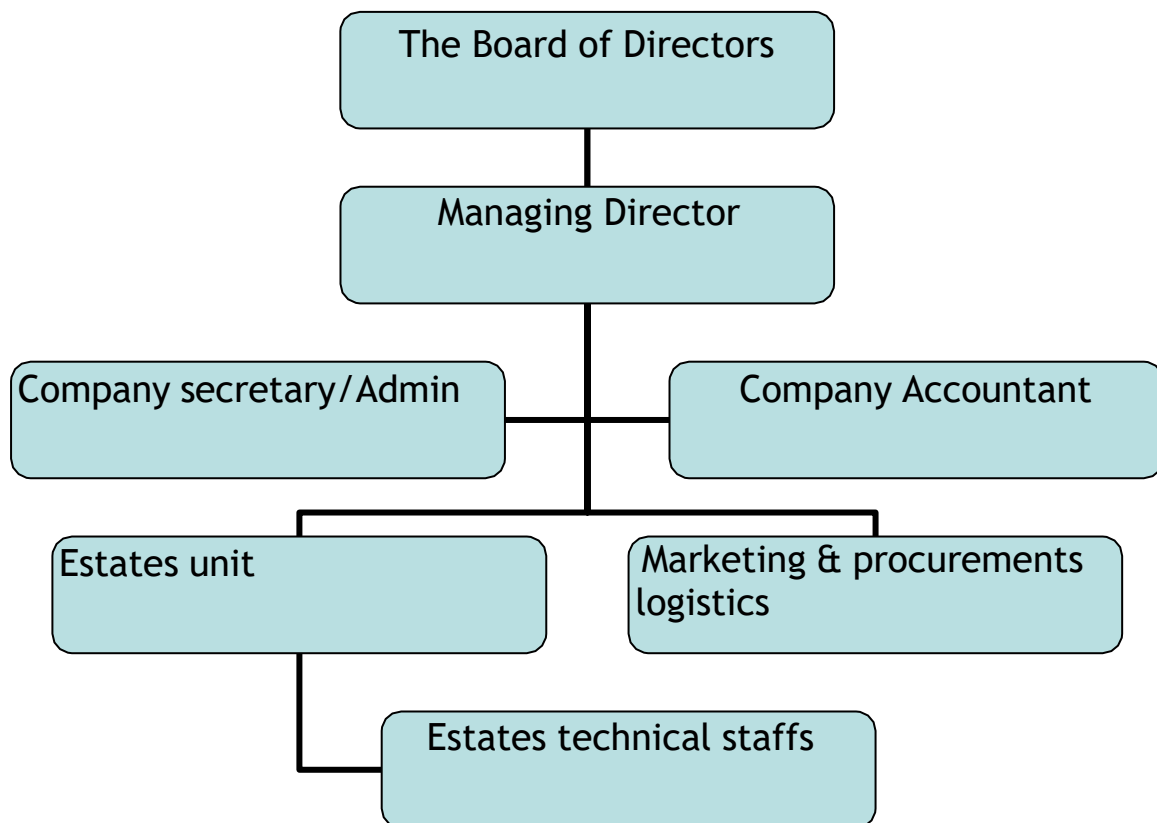


9.1.6. Confidentiality Agreements

GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED will enforce that all Employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our service, operating systems, policies and procedures. Having a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

9.1.7 Organization Structure

The management of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED is planning to have the following organization structure.





Conclusion

- ✓ Revenue will be contributed to the Government through various taxes.
- ✓ The project will offer continuous direct employment to almost 50 people and create other indirect employment to other people.
- ✓ The company looks technically feasible and financially viable. It is therefore recommended that the project be supported.

GOODWILL (T) CERAMIC COMPANY LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4
Land And Buildings	20,000,000	19,600,000	19,200,000	18,800,000
Machinery, Tools & Equipment	35,000,000	30,625,000	26,250,000	21,875,000
Motor Vehicles	3,175,000	2,381,250	1,587,500	793,750
Furniture & Fixtures	10,000	9,000	8,000	7,000
Total	58,185,000	52,615,250	47,045,500	41,475,750
DEPRECIATION	1	2	3	4
Land and buildings	400,000	400,000	400,000	400,000
Machinery tools & Equipment	4,375,000	4,375,000	4,375,000	4,375,000
Motor Vehicles	793,750	793,750	793,750	793,750
Furniture & Fixtures	1,000	1,000	1,000	1,000
ANNUAL DEPRECIATION	5,569,750	5,569,750	5,569,750	5,569,750

**GOODWILL (T) CERAMIC COMPANY LIMITED PROJECTED
INCOME & EXPENDITURE STATEMENT (US\$)**

	1	2	3	4	5	6	7	8
Revenue	137,340,000.00	151,074,000.00	166,181,400.00	182,799,540.00	201,079,494.00	221,187,443.40	243,306,187.74	267,636,806.51
Operating Expenses:	89,271,000.00	98,198,100.00	108,017,910.00	118,819,701.00	130,701,671.10	143,771,838.21	158,149,022.03	173,963,924.23
Profit before Depreciation &Interest	48,069,000.00	52,875,900.00	58,163,490.00	63,979,839.00	70,377,822.90	77,415,605.19	85,157,165.71	93,672,882.28
Interest	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00	6,000,000.00
Depreciation	5,569,750.00	5,569,750.00	5,569,750.00	5,569,750.00	5,569,750.00	5,569,750.00	5,569,750.00	5,569,750.00
Net Profit	36,499,250.00	41,306,150.00	46,593,740.00	52,410,089.00	58,808,072.90	65,845,855.19	73,587,415.71	82,103,132.28
Tax (30%)	10,949,775.00	12,391,845.00	13,978,122.00	15,723,026.70	17,642,421.87	19,753,756.56	22,076,224.71	24,630,939.68
Profit After Tax	25,549,475.00	28,914,305.00	32,615,618.00	36,687,062.30	41,165,651.03	46,092,098.63	51,511,191.00	57,472,192.60
Accumulated Profit	25,549,475.00	37,941,320.00	51,919,442.00	67,642,468.70	85,284,890.57	105,038,647.13	127,114,871.84	151,745,811.52

Appendix V

GOODWILL (T) CERAMIC COMPANY LIMITED PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5	6	7	8
Fixed Assets	-								
Opening balance	-	58185000	52615250	47045500	41475750	35906000	30336250	24766500	19196750
Additions	-								
Total Long-term Assets	-	58185000	52615250	47045500	41475750	35906000	30336250	24766500	19196750
Less depreciation	-	5569750	5569750	5569750	5569750	5569750	5569750	5569750	5569750
Closing balance	-	52615250	47045500	41475750	35906000	30336250	24766500	19196750	13627000
Working capital	91,815,000.00	91815000	91815000	91815000	91815000	91815000	91815000	91815000	91815000
Accumulated cash	-	37119225	77603280	121788648	170045461	222780862	280442711	343523652	412835595
Total assets	91,815,000.00	37119225	77603280	121788648	170045461	222780862	280442711	343523652	412835595
Financed by									
Loan		150000000	131250000	112500000	93750000	75000000	56250000	37500000	18750000
Net profit	-	25549475	37941320	51919442	67642468.7	85284890.57	105038647.1	127114871.8	151745811.5
Total equity	-	175549475	169191320	164419442	161392468.7	160284890.6	161288647.1	164614871.8	170495811.5

GOODWILL (T) CERAMIC COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Repayments US\$				
Year	principle	Loan Interest (4%)	Total Amount Paid	Loan Balance
0				150,000,000
1	18,750,000	6,000,000	24,750,000	131,250,000
2	18,750,000	6,000,000	24,750,000	112,500,000
3	18,750,000	6,000,000	24,750,000	93,750,000
4	18,750,000	6,000,000	24,750,000	75,000,000
5	18,750,000	6,000,000	24,750,000	56,250,000
6	18,750,000	6,000,000	24,750,000	37,500,000
7	18,750,000	6,000,000	24,750,000	18,750,000
8	18,750,000	6,000,000	24,750,000	0
TOTAL	150,000,000	48,000,000	198,000,000	

GOODWILL (T) CERAMIC COMPANY LIMITED PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulative Cash Flow
1	25,549,475.00	5,569,750.00	31,119,225.00	31,119,225.00
2	28,914,305.00	5,569,750.00	34,484,055.00	65,603,280.00
3	32,615,618.00	5,569,750.00	38,185,368.00	103,788,648.00
4	36,687,062.30	5,569,750.00	42,256,812.30	146,045,460.30
5	41,165,651.03	5,569,750.00	46,735,401.03	192,780,861.33
6	46,092,098.63	5,569,750.00	51,661,848.63	244,442,709.96
7	51,511,191.00	5,569,750.00	57,080,941.00	301,523,650.96
8	57,472,192.60	5,569,750.00	63,041,942.60	364,565,593.56

Initial Investment = USD 150,000,000

From above table, payback period is calculated at year 5