

# JU YE CONCRETE CO. LIMITED

BUSINESS PLAN

FOR

PRODUCTION OF CONSTRUCTION CHEMICALS

AND

RELATED PRODUCTS

## 1.0. Executive Summary.

**JU YE CONCRETE CO. LIMITED** is a private business company incorporated in the United Republic of Tanzania; the main line of project is product of construction chemicals such as Admixtures, Waterproofing Chemicals, Concrete Repair Compounds, Protective Coatings, Flooring Chemicals, Grouts and Anchors, Adhesives, Concrete Curing Compound sand related products –

The principal objective of the company is to establish itself as a significant player in the

- supply of high-quality construction chemicals products both on a national and international level.
- The company project that in the first-year sales will \$100,000 and rise up to \$848,775 within 8 years

Introduction

## 1.2 What is construction chemicals

Key takeaway

Definition: Construction chemicals are specialized compounds used in the construction industry to enhance the performance, durability, and sustainability of buildings and infrastructure.

Types: They include admixtures (for concrete and mortar), waterproofing agents, adhesives, sealants, protective coatings, and repair materials.

Benefits: Construction chemicals improve concrete workability, increase strength, reduce water permeability, enhance chemical resistance, and prolong service life of structures.

Construction chemicals have always been playing important roles in virtually all sorts of construction projects, be it industrial projects,

residential building projects, commercial building projects and so on. These chemicals are often used in various elements of projects in order to achieve various important qualities such as workability, durability etc. Construction chemicals exist in many varieties from a large number of manufacturers worldwide.

Construction chemicals are chemical formulations used with masonry materials, cement, concrete or other construction materials at the time of construction to hold the construction materials together.

### **1.3 How construction chemicals affect the construction process and their Uses**

- **Concrete Hardeners**

These are chemicals added in floor concrete in order to render it denser and more durable. They also usually enhance chemical resistance, impact & abrasion resistance, waterproofing capability etc. besides reducing dusting. All these are required attributes especially for industrial, commercial or factory floors. Ultimately good quality floor hardeners reduce repairs and maintenance of concrete floors drastically besides making them long lasting thus adding to cost effectiveness as well. Floor hardeners can be liquid or solid, metallic or nonmetallic. Metallic floor hardeners (solid) are well graded ferrous aggregates. Liquid floor hardeners are water, silicate etc. based solutions. Pigmented floor hardeners also improve the appearance of floor surfaces. Floor hardeners are usually applied as per manufacturer's specifications This construction chemical Improves the abrasion resistance of dusty or poorly cured concrete by up to 3

times. Has good resistance to alkali solution and petroleum solvents but poor resistance to strong acids.

- **Protective and Decorative coating**

A protective coating is a layer of material applied to the surface of another material with the intent of inhibiting or preventing corrosion. A protective coating may be metallic or non-metallic. Protective coatings are applied using a variety of methods, and can be used for many other purposes besides corrosion prevention. Commonly used materials in non-metallic protective coatings include polymers, epoxies and polyurethanes. Materials used for metallic protective coatings include zinc, aluminum and chromium. Special materials are used in the finishing coats of plastering or over the plastered surfaces to meet one or more of specific requirements such as decorative appearance, high durability, fire – proofing, heat insulation, sound insulation, early completion, high strength etc.

- **Concrete Curing**

Concrete curing compound consists essentially of waxes, natural and synthetic resins, and solvents of high volatility at atmospheric temperatures. The compound forms a moisture retentive film shortly after being applied on a fresh concrete surface. White or gray pigments are often incorporated to provide heat reflectance, and to make the compound visible on the structure for inspection purposes. Curing compound should not be used on surfaces that are to receive additional concrete, paint, or tile which require a positive bond, unless it has been demonstrated that the membrane can be satisfactorily

removed before the subsequent application is made, or that the membrane can serve satisfactorily as a base for the later application.

- **Epoxy Coating**

These can come as water or oil-based solutions or as solvent-free. They can be single or two-component. Single-component epoxy paints are usually oil based. Two-component epoxy coatings are mixed in situ in proportions as prescribed by their manufacturers and they are quite suitable for factory, industrial or commercial building applications by dint of their excellent chemical & thermal resistant characteristics, hardness, durability, waterproofing characteristics etc. They are solvent-free. Epoxy coatings are also used in flooring for decorative purposes.

- **Mould Releasing Agents**

Mould release agents come in handy when you have materials that are shaped and constructed in moulds. Without the releasing agent, your mould may become damaged or even break when it is time to remove it. Mould release agents come in a variety of textures with the most commonly used one being an oil type base. If you have never used a releasing agent before, it is similar to placing oil or butter in the bottom of a dish to remove your final baking product. Below, you will find the three most commonly used types and their purpose in the manufacturing industry.

- **Polymer Bonding Agent**

Polymer Bonding Agent is an aqueous emulsion of a polymer and chemical admixtures. It is designed for use as a bonding agent with

concrete and cement-based products in interior or exterior applications. Polymer Bonding Agent is also designed for use as a polymer modifier in mortars and concretes to develop increased tensile, flexural and bond strengths. The use of Polymer Bonding Agent in concrete and shotcrete also gives significant improvements in resistance to penetration by chlorides and de-icing salts

- **Ready Mix Plaster**

Ready mix plaster is a factory mixed/premixed sand-cement based plaster. All the activities that are generally undertaken on-site are performed in a quality-controlled environment at the plant to ensure no-batch variation and optimum sand gradation, which is of utmost importance for any plaster. Other additives such as fly ash and polymers are also added to it, to improve its performance and various other properties. These are generally used for building houses or making solid structures of any sort. Apart from these, they can also be used for various other purposes that require you to put two or more things together that will hold strong for long. You can also use ready mix plaster to make models.

- **Polymer Modified Mortar**

Polymer-modified mortar is made by replacing a portion of the traditional binders with polymers. Polymers are added to mortar to increase characteristics that may include adhesion, toughness, flexural or tensile strength, and resistance to chemicals. Polymers act to improve the workability and adhesion of non-hardened mortar and often require less added water than does traditional mortar, which results in fewer pores and stronger cements, subsequently reducing

water ingress and permeability to salts. Polymer-modified mortar is often commercially available with all ingredients already included in the mixture.

- **Waterproofing Chemicals**

These chemicals can be quite useful when a structure's waterproofing capability is to be given a boost which is especially required for structures constantly dealing with liquids. There are many varieties. Some of them are crystalline waterproofing chemicals, liquid acrylic elastomeric waterproofing compounds, polymer modified waterproofing compounds, cementitious waterproofing compounds etc. Many of these compounds form membranes on the concrete surfaces to protect them from ingress of water.

#### **1.4 How to Choose the Right Construction Chemical for a Particular Project**

Choosing the right construction chemical for a project is crucial for ensuring durability, safety, and effectiveness. Here's a step-by-step guide to help you make an informed decision:

##### **1.4.1 Understand the Project Requirements**

**Assess the Project Scope:** Determine the scale and nature of the project. Is it residential, commercial, or industrial? **Identify the Specific Needs:** What are the primary requirements? Waterproofing, strengthening, bonding, or protection against environmental factors?

#### **1.4.2 Evaluate the Environmental Conditions**

Climate Considerations: Consider the local climate conditions, such as humidity, temperature variations, and exposure to chemicals or pollutants. Substrate Compatibility: Ensure the chemical is compatible with the materials being used, like concrete, steel, or wood.

#### **1.4.3 Determine the Desired Properties**

Strength and Durability: Choose chemicals that enhance the structural integrity and longevity of the construction.

Setting Time: Consider the required setting time based on project deadlines.

Chemical Resistance: Ensure the chosen product can withstand exposure to harsh chemicals if applicable.

#### **1.4.4 Research Product Options**

Manufacturer Reputation: Opt for products from reputable manufacturers known for quality and reliability.

Technical Specifications: Review the technical datasheets to understand the chemical composition and performance characteristics.

#### **1.4.5 Consult with Experts**

Professional Advice: Seek guidance from civil engineers, architects, or construction chemical experts to ensure you select the right product.

Case Studies and Testimonials: Look for case studies or testimonials of similar projects to see what products were successfully used.

#### **1.4.5 Cost–Benefit Analysis**

Budget Considerations: Balance between cost and quality. Sometimes, investing in a more expensive product can save money in the long run by reducing maintenance costs.

Longevity and Maintenance: Consider the long–term benefits and maintenance requirements of the chemical.

### **2.0 Construction Chemicals Market Sales Analysis, Business Opportunities and Growth Prospects to 2031**

The global Construction Chemicals market size was valued at USD 25498.44 million in 2022 and is expected to expand at a CAGR of 10.21% during the forecast period, reaching USD 45683.49 million by 2028. Construction chemicals are chemical formulations used with cement, concrete or other construction materials at the time of construction to hold the construction material together. Construction chemicals have become one of the important components of chemical industry playing an important role in global infrastructure development. The report combines extensive quantitative analysis and exhaustive qualitative analysis, ranges from a macro–overview of the total market size, industry chain, and market dynamics to micro details of segment markets by type, application and region, and, as a result, provides a holistic view of, as well as a deep insight into the Construction Chemicals market covering all its essential aspects. For the competitive landscape, the report also introduces players in the industry from the perspective of the market share, concentration ratio, etc., and describes the leading companies in detail, with which the readers can get a better idea of their competitors and acquire an in–depth understanding of the competitive situation. Further, mergers &

acquisitions, emerging market trends, the impact of COVID–19, and regional conflicts will all be considered. In a nutshell, this report is a must–read for industry players, investors, researchers, consultants, business strategists, and all those who have any kind of stake or are planning to foray into the market in any manner.

## **2.1 Who is the largest manufacturer of Construction Chemicals Market worldwide?**

- Royal Adhesives & Sealants
- Tata Chemicals
- Evonik Industries
- LORD Corp.
- KÖSTER
- Saint–Gobain S.A
- RUDOLF GROUP
- Henkel AG & Company KGaA
- H.B. Fuller
- 3M Company
- Tremco Group
- Dow Chemical
- Ashland
- Eastman Chemical
- Arkema
- Sika Group
- MAPEI
- AkzoNobel Chemicals
- Wacker Chemie AG

- Avery Dennison
- Fosroc
- Pidilite Industries
- Huntsman Corporation
- WR Grace & Company
- BASF SE
- Illinois Tool Works Inc.
- Thermax Global
- Muehringer
- RPM International
- Bostik SA
- Albemarle
- Normet
- Knopp GmbH

## 2.2 Construction Chemicals Market Insight and Key Factors

This Market forecasts that the Construction Chemicals is expected to remain the largest segment and is expected to experience the highest growth during the forecast period 2023–2031.

Major Types [, Concrete Admixtures, Water Proofing & Roofing, Repair, Flooring, Sealants & Adhesives] and Applications [, Residential, Industrial/Commercial, Infrastructure].

Global industry is expected to remain the largest market and is also expected to witness the highest growth over the forecast period. Increasing demand due to growing population, economic expansion, urbanization, industrialization, and rural projects, are leading the demand for Construction Chemicals.

### 2.3 Legal Status and Company Back Ground

**JU YE CONCRETE CO. LIMITED** bears the certificate of registration No. 133839 issued on 10<sup>th</sup> March 2017 issue by BRELA.

Shareholder of **JU YE CONCRETE CO. LIMITED** CAO ZHE JUN, HUANG XIANG ZHONG, XU SHUI YOU and XU JIN LONG have spent the last 10 years setting up socially oriented businesses in China and Tanzania

The shareholders of **JU YE CONCRETE CO. LIMITED**, the company is owned by two shareholders, namely: –

Name	% of share	Nationality
CAO ZHE JUN	25	Chinese
HUANG XIANG ZHONG	25	Chinese
XU SHUI YOU	25	Chinese
XU JIN LONG	25	Chinese

All the directors of the company are therefore well versed people in the business operations, having been engaged in the business for a period ranging between 10 to 15 years, Equipped with the wide experience in the business as explained above, the directors of the company are optimistic of successful implementation of the proposed project.

### 2.4 Location.

The new project is located at **Plot No. 38 A & B Michoni Industrial Area, Kinondoni, Dar es Salaam, Tanzania.**

## **2.5 Mission Statement**

The company mission is to establish a world – class drive through construction chemicals business that will make available a wide variety of construction chemicals products at affordable prices to the local and international markets

**JU YE CONCRETE CO. LIMITED's** will make its best effort to create a unique products place which satisfy customers' needs. **JU YE CONCRETE CO. LIMITED's** will invest its profits to increase the employee satisfaction while providing stable return to its shareholders.

## **2.6 Core Values**

Provision of services with integrity and creativity while treating each customer as king

## **2.7 Basis of the Business Plan**

A study was conducted prior to as the basis for preparation of this plan, the study was based on the following objectives and approach:

## **2.8 Study Objectives:**

- To analyze the relevant market and other factors impacting upon the supply and demand of local construction chemicals production and related products
- To examine the physical and operational characteristics of the existing market in order to determine the positioning of the proposed company's business in the market place.

## 2.9 Study Approach

- Participatory: Semi-structured interview and discussion were held with the Company's Directors, stakeholders in construction chemicals production and related businesses
- Physical visits to the company's main business premises
- A brief market survey on hand craft locally and internationally.
- Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

## 2.10 Keys to Success

The keys to success will be:

- Built up systems in production, quality control and operations and developed a proven and successful range of high-quality of construction chemicals production.
- Successfully established sales channels across the world, so that today, the products are sold in shops on every continent.
- Store design that will be both visually attractive to customers, and designed for fast and efficient operations.
- Employee artisan to ensure the best construction chemicals products are produced.
- Marketing strategies aimed to build a solid base of loyal customers, as well as maximizing the sales of high margin products.

### **3.0 MARKET ANALYSIS**

On the heels of international economic crises and uncertainty, the global construction chemicals industry has enjoyed a steady growth, doubling in size between 2015 and 2024,

Based on this market analysis, JU YE CONCRETE CO. LIMITED's fair trade business model is perfectly situated in the growing global market and fits very well into the growing demand for fairly traded construction chemicals products.

#### **3.1 BUSINESS GROWTH PLAN**

Combining the systems and product collections built over the last 10 years in construction chemicals products experts, including highly qualified and skilled management and staff as well as highly favorable market trends, JU YE CONCRETE CO. LIMITED has great potential for sustained growth.

Growth activities include the development of Government construction projects and real estate's development.

- Establishment and strengthening relationships with some of the local and foreign construction. Products are currently being imported. Large volume orders are expected in fall 2025 due to local production.
- Through capacity building within the construction work force, the production capacity has been increased significantly so that JU YE CONCRETE CO. LIMITED can comfortably supply large volume orders.

- An online retail shop will be launched for the local and foreign market. This will be the first time that overseas private customers will be able to directly purchase JU YE CONCRETE CO. LIMITED products. Advertising and marketing campaigns will be run to drive traffic to the online shop and drive online sales.
- Through the network of contractor's partners, JU YE CONCRETE CO. LIMITED is well placed to be establishing further relationships with large local and international buyers.

### **3.2 Market Segmentation**

JU YE CONCRETE CO. LIMITED will focus its marketing activities on reaching:

- Contracts
- Real estate developer
- Individual

The market research shows that these are the customer groups that are most likely to buy our products. Since our products are very unique for across different income categories.

JU YE CONCRETE CO. LIMITED 's marketing strategy will be focused at getting new customers, retaining the existing customers, getting customers to spend more and come back more often. Establishing a loyal customer base is of a paramount importance since such customer core will not only generate most of the sales but also will provide favorable referrals.

### **3.3 Competitive Edge**

JU YE CONCRETE CO. LIMITED will position itself as unique construction chemicals producer where a customers get value for money and will differentiate JU YE CONCRETE CO. LIMITED from incumbent competitors no stiff completion is expected within 5 years,

### **3.4 Sales Strategy**

JU YE CONCRETE CO. LIMITED management will handle the sales transactions. To speed up the customer service, one employee will be servicing clients—while one employee will be preparing the customer's order and taking care of the sales transaction. All sales data logged on the computerized point-of-sale terminal will be later analyzed for marketing purposes.

In order to build up its client base, JU YE CONCRETE CO. LIMITED will use banners and fliers, utilize customer referrals and cross-promotions with other businesses in the community. At the same time, customer retention programs will be used to make sure the customers are coming back and spending more JU YE CONCRETE CO. LIMITED products

### **3.5 JU YE CONCRETE CO. LIMITED Products Offering**

JU YE CONCRETE CO. LIMITED will ensure that we do all that is permitted by law in The Republic of Tanzania to achieve our business goal and ambition.

Product and service offerings are listed below;

Range of high-quality home décor products.

The company will also be engaged in home delivery when customers want our products to be delivered to them in any location within the city.

## **6.0 Management Summary**

JU YE CONCRETE CO. LIMITED is owned by two shareholders. The shareholders have travelled around the world gaining vast knowledge with truck record of more than 10 years in home décor production and marketing industry. They have extensive business contacts in Tanzania and outside Tanzania that will leverage to help new venture succeed.

However, because of the investors' other commitments they will not be involved into the daily management decisions at JU YE CONCRETE CO. LIMITED. A professional manager will be hired who will oversee all the company operations and other employees full-time employed will responsible for coffee preparation.

### **6.1 Management Team**

A full-time manager will be hired to oversee the daily operations at JU YE CONCRETE CO. LIMITED. This person's responsibilities will include managing the staff, ordering inventory, dealing with suppliers, developing a marketing strategy and perform other daily managerial duties. We believe that our candidate has the right experience for this role. A profit-sharing arrangement for the manager may be considered based on the first-year operational results, a total of 25 people to be employed by the project

## 6.2 Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed

## 7.0 Project Investment Cost

The estimated capital investment cost of the project for 5 years is estimated to cost US\$ **500,000**; the project will be implemented in phases; the project will grow up to US\$ 500,000 within five years.

### JU YE CONCRETE CO. LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	40,000.00
Machinery & Equipment	75,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	15,000.00
Others	80,000.00
Working Capital	180,000.00
<b>TOTAL</b>	<b>500,000.00</b>

## 7.1 Financing pattern

The project will be financed by equity US\$500,000 and cash generated from operations will be re invested at least for 2 years

## 7.2 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty

and Value Added Tax. The straight–line method to depreciate the project’s capital items has been applied.

It is assumed that raw materials will be sourced locally as it has been explained above. Revenues have been conservatively estimated based on experience of the promoters and trends in the industry.

### 7.3 Projected Revenue

For projection purposes, it is assumed that the economic life of the project is eight years, and that revenue from the project commence from the first year of operation as below:

SUMMARY OF REVENUE “US\$”

	1	2	3	4	5	6	7	8
Revenue	181,440	203,213	223,534	245,887	270,476	297,524	327,276	360,004

### 7.4 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 8th year period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$55,569** in first year to **US\$848,775** in the year 8<sup>th</sup>; for the detail refer appendix (IV)

### 7.5 Projected Cash Flows

This is shown in the financial statements. The project commences with negative accumulated cash flow in year 1 US\$ **(49,881)** and cash grow in the 8th year up to US\$ **689,177**; for the detail refer appendix (V)

## 7.6 Projected Balance Sheet

This is shown in the financial statements. The project assets grow from **US\$ 100,000** in year 1 up to **US\$ 500,000** in the 8th year; for the detail refer appendix (VI)

## 7.7 Projected Payback Period

The total investment of the project is estimated to **US\$ 500,000** in the fifth year and the total accumulated cash in fifth year is **US\$ 568,206** which is more than the investment cost by **US\$68,206**, The payback period is within five years; for the detail refer appendix (VII)

## 8.0 ECONOMIC ASPECTS

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

- The project will create employment for **25** people in the beginning and it will increase gradually as the business grow.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills to construction chemicals producers sub industry.
- From the projected \$1million of revenue over the next five years, the vast majority will be earned and spent directly in Tanzania.

- Between 40% and 50% of annual sales revenue to spent in the form of direct artisan payments for the products produced by the currently 350 women artisans.
- The remaining income and expenditure is spent on local staff salaries, taxes, domestic logistics, production, infrastructure and locally sourced raw materials. Only a small fraction of the generated income will be earned and spent outside Tanzania, between 5% – 10%, on one international staff and international marketing and sales activities.

## 9.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved and space lease, and license and approval obtained, the general implementation schedule is below:

### IMPLEMENTATION

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	August–Nov 2024
2	Placing order of machines	December 2024
3	Fixing machines	Dec –March 2025
4	Recruitment	Feb –March 2025
5	In house training	March– May 2025
4	Testing production	Jun – Aug 2025
6	Commercial operations	Sept 2025

## 10.0 CONCLUSION & RECOMMENDATIONS

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 2024.

## JU YE CONCRETE CO. LIMITED Cost Structure

PARTICULAR	US\$
Land and Buildings	140,000.00
Machinery & Equipment	75,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	15,000.00
Others	80,000.00
Working Capital	80,000.00
<b>TOTAL</b>	<b>500,000.00</b>

## JU YE CONCRETE CO. LIMITED Summary of Revenue "US\$"

	1	2	3	4	5	6	7	8
Revenue	181,440	203,213	223,534	245,887	270,476	297,524	327,276	360,004

Appendix (III)

JU YE CONCRETE CO. LIMITED Fixed Assets US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	140,000	137,200	134,400	131,600	128,800	126,000	123,200	120,400
Machinery, Tools & Equipment	75,000	71,250	67,500	63,750	60,000	56,250	52,500	48,750
Motor Vehicles	100,000	90,000	80,000	70,000	60,000	50,000	40,000	30,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000	5,000	4,000	3,000
<b>Total</b>	<b>325,000</b>	<b>307,450</b>	<b>289,900</b>	<b>272,350</b>	<b>254,800</b>	<b>237,250</b>	<b>219,700</b>	<b>202,150</b>
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Machinery tools & Equipment	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Motor Vehicles	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<b>ANNUAL DEPRECIATION</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>	<b>17,550</b>

## Appendix (IV)

## JU YE CONCRETE CO. LIMITED Projected Income &amp; Expenditure Statement (US\$)

	1	2	3	4	5	6	7	8
Revenue	181,440	203,213	223,534	245,887	270,476	297,524	327,276	360,004
Operating cost	18,144	20,321	22,353	24,589	27,048	29,752	32,728	36,000
<b>Cost of raw materials</b>	63,504	71,124	78,237	86,061	94,667	104,133	114,547	126,001
<b>Profit before Depreciation &amp;Interest</b>	<b>99,792</b>	<b>132,088</b>	<b>145,297</b>	<b>159,827</b>	<b>175,810</b>	<b>193,391</b>	<b>212,730</b>	<b>234,003</b>
Depreciation	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550
<b>Net Profit before Tax</b>	<b>82,242</b>	<b>114,538</b>	<b>127,747</b>	<b>142,277</b>	<b>158,260</b>	<b>175,841</b>	<b>195,180</b>	<b>216,453</b>
Tax (30%)	24,673	34,361	38,324	42,683	47,478	52,752	58,554	64,936
<b>Profit After Tax</b>	<b>57,569</b>	<b>80,177</b>	<b>89,423</b>	<b>99,594</b>	<b>110,782</b>	<b>123,088</b>	<b>136,626</b>	<b>151,517</b>
Accumulated Profit	57,569	137,746	227,169	326,763	437,544	560,633	697,258	848,775

## Appendix (V)

## JU YE CONCRETE CO. LIMITED Projected Cash Flow US\$

	–	1	2	3	4	5	6	7	8
<b>SOURCES:</b>									
Profit before interest and depreciation	–	99,792	132,088	145,297	159,827	175,810	193,391	212,730	234,003
<b>Total Sources</b>	–	99,792	132,088	145,297	159,827	175,810	193,391	212,730	234,003
<b>Applications:</b>									
Capital expenditure	100,000	100,000	100,000	25,000	–	–			
working Capital &Others	100,000	25,000	50,000	–					
Cash	–	(49,881)	(52,273)	81,973	117,144	128,332	140,639	154,176	169,067
Tax	–	24,673	34,361	38,324	42,683	47,478	52,752	58,554	64,936
<b>Sub total</b>	200,000	99,792	132,088	145,297	159,827	175,810	193,391	212,730	234,003
<b>Total applications</b>	200,000	99,792	132,088	145,297	159,827	175,810	193,391	212,730	234,003
Accumulated cash		(49,881)	(102,154)	(20,181)	96,963	225,295	365,934	520,110	689,177
Necessary working capital	100,000	125,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000

## JU YE CONCRETE CO. LIMITED Projected Balance Sheet US \$

		1	2	3	4	5	6	7	8
Fixed Assets	-								
Opening balance	-	325,000	307,450	289,900	272,350	254,800	237,250	219,700	202,150
<b>Total Long-term Assets</b>	-	<b>325,000</b>	<b>307,450</b>	<b>289,900</b>	<b>272,350</b>	<b>254,800</b>	<b>237,250</b>	<b>219,700</b>	<b>202,150</b>
<b>Less depreciation</b>	-	17,550	17,550	17,550	17,550	17,550	17,550	17,550	17,550
<b>Closing balance</b>	-	<b>307,450</b>	<b>289,900</b>	<b>272,350</b>	<b>254,800</b>	<b>237,250</b>	<b>219,700</b>	<b>202,150</b>	<b>184,600</b>
Working capital	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000	175,000
Accumulated cash	-	-49,881	-102,154	-20,181	96,963	225,295	365,934	520,110	689,177
<b>Total assets</b>	<b>175,000</b>								
Financed by									
Equity	-	200,000	300,000	400,000	500,000	500,000	500,000	500,000	500,000
Net profit	-	57,569	80,177	89,423	99,594	110,782	123,088	136,626	151,517
Total equity	-	257,569	380,177	489,423	599,594	610,782	623,088	636,626	651,517
<b>Total equity and debts</b>	-	<b>257,569</b>	<b>380,177</b>	<b>489,423</b>	<b>599,594</b>	<b>610,782</b>	<b>623,088</b>	<b>636,626</b>	<b>651,517</b>

## JU YE CONCRETE CO. LIMITED Projected Payback Period

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	57,569	17,550.00	75,119.00	75,119.00
2	89,423	17,550.00	106,973.00	182,092.00
3	99,594	17,550.00	117,144.00	299,236.00
4	110,782	17,550.00	128,332.00	427,568.00
5	123,088	17,550.00	140,638.00	568,206.00
6	136,626	17,550.00	154,176.00	722,382.00
7	151,517	17,550.00	169,067.00	891,449.00

