

HUASHENG GREEN ENERGY CO. LIMITED

Business Plan

For

Production of Industrial Lubricants (Oil)

1.0 INTRODUCTION

HUASHENG GREEN ENERGY CO. LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No. 177686115 dated 4th September ,2024 based in Kahama and standard recycling company with strong bias for recycling used tires and rubber waste and producing industrial lubricants.

HUASHENG GREEN ENERGY CO. LIMITED have been able to lease a premised at **Plot No. II Block B Sangilwa Industrial Area, Mondo, Kahama, Shinyanga region** a location that is well positioned and highly suitable for the kind of tires and rubber waste recycling plant that we want to build.

HUASHENG GREEN ENERGY CO. LIMITED is in the tires and rubber waste recycling industry to produce industrial lubricants.

HUASHENG GREEN ENERGY CO. LIMITED will initially be involved in the recycling of used and condemned tires and rubber waste materials but will in the nearest future engage in the recycling of other materials. Our business goal is to become one of the leading recycling companies in Tanzania and we will make sure that we do all we can to compete favorably with leaders in the imported industrial oil lubricants.

HUASHENG GREEN ENERGY CO. LIMITED workers are going to be selected from a pool of certified and highly experienced recycling engineers and technicians.

HUASHENG GREEN ENERGY CO. LIMITED will make sure that we take all the members of our workforce through the required trainings that will position them to meet the expectation of the company and to compete favourably with leading industrial oil lubricants importers.

At HUASHENG GREEN ENERGY CO. LIMITED our client's best interest will always come first, and everything we do will be guided by our values and professional ethics. We will ensure that we hold ourselves accountable to the highest standards by meeting our client's needs precisely and completely.

HUASHENG GREEN ENERGY CO. LIMITED will cultivate a working environment that provides a human, sustainable approach to earning a living, and living in our world, for all our partners, employees and for our clients.

1.1 HUASHENG GREEN ENERGY CO. LIMITED MISSION

To become an industrial oil lubricants producer leading company providing business enabling solutions and exceeding customer expectations.

1.2 HUASHENG GREEN ENERGY CO. LIMITED DIVISION

To deliver customized and high-quality industrial oil lubricants solutions ensuring time and cost savings for customers.

1.3 HUASHENG GREEN ENERGY CO. LIMITED VALUES

At HUASHENG GREEN ENERGY CO. LIMITED, we believe the customer comes first; the company management is focused to ensure customer delight, superior quality of delivery and increased customer profitability.

At HUASHENG GREEN ENERGY CO. LIMITED, our operations all over the country, we practice an enduring value system based on an open culture, honest and fair business and personal conduct, earning the confidence and trust of our Associates and Customers.

At HUASHENG GREEN ENERGY CO. LIMITED, we practice transparency with all agencies that we are involved with.

At HUASHENG GREEN ENERGY CO. LIMITED, we value the importance of our colleagues, evolving a sense of togetherness and passion to deliver.

1.3 **Competitive Edge**

HUASHENG GREEN ENERGY CO. LIMITED is taking his industry observations and carving out a niche in the industry by emphasizing two competitive edges that will greatly assist the company in gaining market share

- **Highest-quality product offerings:** If customers are going to produce high quality industrial oil lubricants. .
- **Benchmarked customer service:** The function of HUASHENG GREEN ENERGY CO. LIMITED will help the customer in any way possible. This includes determining which industry oil lubricants is best for the job, explaining the proper way to use the oil , as well as offering suggestion on how best to make proper machines and plants services. It is HUASHENG GREEN ENERGY CO. LIMITEDs' mission to ensure every customer has their expectations exceeded.

HUASHENG GREEN ENERGY CO. LIMITED SANY TANZANIA LIMITED is an exciting new concept that recognizes the competitor's customer service short comings and leverages

HUASHENG GREEN ENERGY CO. LIMITED' sphenomenal customer support to address the market niche that wants a positive experience and needs assistance. By adhering to a comprehensive oil lubricants production business plan strategy, HUASHENG GREEN ENERGY CO. LIMITED will quickly gain market share and transform this start-up's business into a profitable venture.

1.5 Keys to Success

- Maintain a sufficient inventory of high-quality Industrial lubricants kept in excellent condition.
- Ensure all staff are extremely knowledgeable on all of the offered Industrial lubricants.
- Maintain strict inventory and accounting controls, reducing overhead while assuring availability at the same time

1.6 COMPANY OWNERSHIP AND BOARD OF DIRECTORS

HUASHENG GREEN ENERGY CO. LIMITED is promoted by four shareholders who are very experienced in transport and logistic business, The share capital of the company is Tanzania shillings 2,000,000,000/ ordinary

Share Holders	% of Share	Nationality
JIN JIANJING	15	China

ZHU XIAOYONG	20	China
CHEN WEI	20	China
HE HONGZE	40	China
NICHOLAUS PATRIC FABIAN	5	Tanzania

1.7 PROJECT LOCATION

Registered office of the SANY TANZANIA LIMITED is located at **Plot No. II Block B Sangilwa Industrial Area, Mondo, Kahama, Shinyanga region**

2.0 OUR PRODUCTS AND SERVICES

HUASHENG GREEN ENERGY CO. LIMITED was established with the aim of maximizing profits in industrial lubricants industry.

HUASHENG GREEN ENERGY CO. LIMITED want to compete favourably with the leading industrial lubricants importers in Tanzania which is why we have but in place a competent quality assurance team that will ensure that every industrial oil produced meet and even surpass our customers' expectations and meet with best practices in the industry.

HUASHENG GREEN ENERGY CO. LIMITED will work hard to ensure that the products and brand of HUASHENG GREEN ENERGY CO. LIMITED is not just accepted in Lake regions but also

in other regions in Tanzania. Our products and services are listed below;

- Greases are also worked as a barrier or protect the surfaces from can even act as a barrier, protecting the surfaces from all those contaminants that have.
- Gear oils. Industrial operating environments often require heavy duty lubricants that have high viscosity. This level of lubrication keeps larger gears.
- Compressor oils are considered to be very stable oils that, if applied properly, last for a very long time and are able to resist temperature fluctuations
- Standard engine oils are typically petroleum based and are the lifeblood of most industrial operations, lubricating plant machinery and vehicles alike ...
- Oils have varying characteristics synthetic oils offer better performance. Biodegradable oils can be used in eco
- Discover HP Lubricants' industrial oils tailored for hydraulic systems, gearboxes, compressors, and more. Trusted for quality, innovation, and reliability.

3.0 OUR BUSINESS STRUCTURE

HUASHENG GREEN ENERGY CO. LIMITED is a industrial oil production company that intend starting small in Kahama,

serving mining companies, cotton ginny, fishing industry etc within lake zone, but hope to grow big in order to compete favourably with leading industrial oil importers.

HUASHENG GREEN ENERGY CO. LIMITED board of directors is aware of the importance of building a solid business structure that can support the picture of the kind of world class business we want to own. This is why we are committed to only hire the best hands within our area of operations.

At HUASHENG GREEN ENERGY CO. LIMITED, we will ensure that we hire people that are qualified, hardworking, creative, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, bonus arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

3.1 Job Roles and Responsibilities

3.1.1 Chief Executive Officer – CEO

Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counselling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.

- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

3.1.2 Head, Technical Services

- Serves as project manager of the organization; works directly with employees in the tire and rubber waste recycling plant
- Develops strategic plan by studying technological and financial opportunities; presenting assumptions; recommending objectives.

- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; making mid-course corrections.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; coordinating actions with corporate staff.
- Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- Makes certain that the technical department perform efficiently, coordinate employee efforts, and facilitate communications between management and recycling plant engineers, technicians and machine operators
- Ensures that the organization work in line with international best practices as it relates to Tires and Rubber Waste Recycling industry.

3.1.3 Admin and HR Manager

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Designs job descriptions with KPI to drive performance management for clients
- Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures and Processes
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Oversees the smooth running of the daily office activities.

3.1.4 Sales and Marketing Manager

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models demographic information and analyze the volumes of transactional data generated by customer
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Writes winning proposal documents, negotiate fees and rates in line with organizations' policy
- Responsible for handling business research, market surveys and feasibility studies for clients
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops executes and evaluates new plans for expanding increase sales
- Creates new markets cum businesses for the organization
- Empowers and motivates the sales team to meet and surpass agreed targets

3.1.5 Accountant / Cashier

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyses financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensuring compliance with taxation legislation
- Handles all financial transactions for HUASHENG GREEN ENERGY CO. LIMITED
- Serves as internal auditor for HUASHENG GREEN ENERGY CO. LIMITED

3.1.6 Recycling Plant Engineers (2) and Technicians / Machine Operators (8)

- Responsible for installing, maintaining and repairing of all the recycling machines in the plant
- Responsible for operating recycling machines in the plant

- Operating facilities for separating and sorting used and condemned tires for recycling
- Operating facilities for separating and sorting rubber waste for recycling
- Handle any other job functions as it relates to recycling materials.

3.1.7 Truck Drivers

- Assists in loading and unloading used and condemned tires and rubber waste materials and industrial oil products.
- Maintains a logbook of their driving activities to ensure compliance with federal regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment, such as hazardous material placards.
- Assists the transport and logistics manager in planning their route according to a pick – up and delivery schedule.
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with hazardous waste truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures
- Collects and verifies delivery instructions

- Reports defects, accidents or violations

3.1.8 Client Service Executive

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries
- Receives parcels / documents for the company
- Distributes mails in the organization
- Handles any other duties as assigned by the line manager.

4.0 SWOT Analysis

HUASHENG GREEN ENERGY CO. LIMITED engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well – structured tires and rubber waste recycling business that can favourably compete in the highly competitive recycling industry in the United States and the world at large.

Part of what the team of business consultant did was to work with the management of our organization in conducting a comprehensive SWOT analysis for HUASHENG GREEN ENERGY CO. LIMITED. Here is a summary from the result of the SWOT analysis that was conducted on behalf of HUASHENG GREEN ENERGY CO. LIMITED;

- **Strength**

Our core strength lies in the power of our team; our workforce. HUASHENG GREEN ENERGY CO. LIMITED have a team of certified and highly trained and experience recycling engineers and technicians / machine operators, a team with excellent qualifications and experience in various niche areas in the industrial oil industry.

Aside from the synergy that exists in our carefully selected workforce, our product will be guided by best practices in the industry and our tires and rubber waste recycling plant is built to fit into the design of a 21st century recycling plant.

- **Weakness**

As a new tires and rubber waste recycling plant in Kahama, it might take some time for our organization to break into the market and gain acceptance especially from top profile clients (big time manufacturing / production companies that make use of industrial oil) in the already saturated and highly competitive industrial oil industry; that is perhaps our major weakness.

Another weakness is that we may not have the required cash to pump into promoting our business the way we would want to.

- **Opportunities**

No doubt, the opportunities in the industrial oil production from tire and rubber waste recycling is massive considering the number of mining and manufacturing companies who are operating in lake zone and depending on imported oil from Dar es salaam. As a tire and rubber waste recycling company, we are ready to take advantage of any opportunity that is available in the industry.

- **Threat**

Aside from unfavourable government policies, one of the major threats that we are likely going to face is economic downturn. It is a fact that economic downturn affects purchasing / spending power. Another threat that may likely confront us is the arrival of new recycling plants in same location where our target market exists and who may want to adopt same Business model like us.

5.0 MARKET ANALYSIS

5.1 Market Trends

One obvious trend in the Tires and Rubber Waste Recycling industry is that players in this industry leverage on saving the earth and balancing the ecosystem to promote their business.

As a matter of fact, governments all over the world and even international Non – Government Organizations are in the forefront when it comes to campaigning in favor of recycling materials to generate raw materials for industries as against tapping virgin raw materials. This is so because it will help save cost and energy and the earth that we live in will be the better for it.

Another trend is that is common in the recycling industry is that, with the advancement of technology, it is now easier to recycle and process almost any materials and liquid waste that exist in our world. This trend and the immerse support from government

and NGOs is sure responsible for encouraging investors to venture into the recycling industry

In spite of obvious recessionary challenges and in the wake of a consumer preference shift toward green products and growth in environmental regulations that encourage recycling of tires and rubber waste. The tires and rubber waste recycling industry is expected to experience healthy growth going forward as purchases of tires and vehicles drive demand for the recycling of obsolete products and regulation for the industry increases.

Lastly, more and more manufacturing industries are beginning to see the benefits of going for recycling materials as against going for virgin raw materials in the production of their products. This is the reason why the industry is expanding and becoming more profitable and viable.

5.2 Our Target Market

Before starting our tires and rubber waste recycling business in Kahama, we conducted a market survey and feasibility studies and we are certain that there is a wide range of mining and manufacturing / production factories that cannot successfully run their businesses without sourcing for industrial oil from us.

In view of that, we have created strategies that will enable us reach out to various mining and manufacturing / production

companies who we know can't afford to do without our products / recycled raw materials. Below is a list of the people and organizations that we have specifically market our products and services to;

- Mining companies
- manufacturing companies
- Cotton ginny companies
- Fish processing industries etc

6.0 OUR COMPETITIVE ADVANTAGE

The recycling industry is an emerging market that is yet to be fully accepted globally, therefore there is little or no competition in the industry at the moment. Although, there is a relationship between the emerging players as they cannot do without the other. Since the industry is a multi-stage one, there is need for collaboration among the players in order to have a win-win situation for all the players.

Without a shadow of doubt, there are loads of big-time investors that have stakes in the tires and rubber waste recycling industry; but one thing is certain, there is room big enough to accommodate all players.

So, if you enter the industry today, you should brace up yourself for collaboration and prepare for serious competition in the

nearest future as soon as the recycling industry enter it boom period, this period will definitely arrive especially in the developing world in little time when recycled product is seen in the same light as the new and “virgin” materials.

Our competitive advantage lies in the power of our team; our workforce. We have a team of certified and highly trained and experience recycling engineers and technicians / machine operators, a team with excellent qualifications and experience in various niche areas in the recycling industry.

Aside from the synergy that exists in our carefully selected workforce, our product will be guided by best practices in the industry and our tires and rubber waste recycling plant is built to fit into the design of a 21st century recycling plant.

Lastly, all our employees will be well taken care of, and their welfare package will be among the best within our category. It will enable them to be more than willing to build the business with us and help deliver our set goals and achieve all our business aims and objectives.

7.0 SALES AND MARKETING STRATEGY

7.1 Marketing Strategy and Sales Strategy

We are mindful of the fact that there are stiffer competitions in the industrial oil industry; hence we have been able to hire some of the best marketing experts to handle our sales and marketing. Our sales and marketing team will be recruited based on their vast experience in the industrial oil industry and they will be trained on a regular basis so as to be well equipped to meet their targets and the overall business goal of HUASHENG GREEN ENERGY CO. LIMITED.

Our corporate goal is to grow HUASHENG GREEN ENERGY CO. LIMITED to become one of the top 4 industrial oil local producers using waste tire and other plastic materials which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in Kahama but also in other Tanzania regions HUASHENG GREEN ENERGY CO. LIMITED is set to make use of the following marketing and sales strategies to attract clients;

- Introduce our industrial oil from tires and rubber waste recycling company by sending introductory letters alongside our brochure to mining and manufacturing / production

companies and other key stake holders in the manufacturing industry.

- Advertise our business in relevant business magazines, newspapers, TV stations, and radio station.
- List our business on yellow pages ads (local directories)
- Attend relevant international and local expos, seminars, and business fairs et al
- Create different packages for different category of clients in order to work with their budgets and still deliver good recycled tires and rubber materials
- Leverage on the internet to promote our business
- Engage direct marketing approach
- Join local chambers of commerce and industries with the aim of marketing our products
- Encourage word of mouth marketing from loyal and satisfied clients

7.2 PUBLICITY AND ADVERTISING STRATEGY

HUASHENG GREEN ENERGY CO. LIMITED have been able to work with our in-house brand and publicity consultants to help us map out publicity and advertising strategies that will help us walk our way into the heart of our target market.

HUASHENG GREEN ENERGY CO. LIMITED are set to become the number one choice for manufacturing / production companies in

the whole of Lake zone and beyond which is why we have made provisions for effective publicity and advertisement of our tire and rubber waste recycling company.

Below are the platforms we intend to leverage on to promote and advertise HUASHENG GREEN ENERGY CO. LIMITED;

- Place adverts on both print (newspapers and magazines) and electronic media platforms
- Sponsor relevant community-based events / programs
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google + et al to promote our products
- Install our Bill Boards on strategic industrial locations all around Shinyaga, Mwanza, Mara, Geita and Kagera regions
- Engage in road show from time to time in targeted industrial estates
- Distribute our fliers and handbills in target areas
- Contact manufacturing / production companies by calling them up and informing them of HUASHENG GREEN ENERGY CO. LIMITED and the products we offer
- List our products in local directories / yellow pages
- Advertise our products in our official website and employ strategies that will help us pull traffic to the site.

- Ensure that all our staff members wear our branded shirts and all our vehicles / trucks are well branded with our company logo et al.

7.3 OUR PRICING STRATEGY

At HUASHENG GREEN ENERGY CO. LIMITED products below the average market rate for all of our customers by keeping our overhead low and by collecting payment in advance from corporate organizations who would hire our services. In addition, we will also offer special discounted rates to all our customers at regular intervals.

HUASHENG GREEN ENERGY CO. LIMITED is aware that there are some one – off jobs or government contracts that are always lucrative, we will ensure that we abide by the pricing model that is expected from contractors or organizations that bid for such contracts.

The average price of one litre has been estimated to be US\$1.5 and production capacity of 1,000,000 per year

7.4 PROJECT OPERATING COST

The company has estimated that the project operating cost and other cost to be 65 % of the total annual revenue

7.5 PROJECT FINANCING

The company has estimated that the project will be financed by long shareholders contribution and cashflows generated from business US\$ 1,755,000

7.6 PROJECT COST

The project has budgeted to cost the followings:

HUASHENG GREEN ENERGY CO. LIMITED COST STRUCTURE

Land and Buildings	200,000
Machinery & Equipment	800,000
Motor Vehicles	250,000
Furniture & Fixtures	5,000
Pre exp	20,000
Others	80,000
Working Capital	400,000
TOTAL	1,755,000

8.0 PROJECTED FINANCIAL STATEMENTS

8.1 Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 414,750** in the 1st year to **US\$ 2,305,553** in the 5th year.

8.2 Projected Cash Flows

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 452,250** in the first year to **US\$ 2,493,053** at the end of 5th years.

8.3 Projected Balance Sheet

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 1,755,000** in the first year to **US\$ 4,248,053** at the end of 8th years of the project's operations based

8.4 **Payback Period**

Total investment is **US\$1,755,000** cash accumulation in 7th year **US\$ 1,945,765** which is more than the initial investment, The project payback Period is exactly 4years. The project has a relatively short payback period.

9.0 **ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 25people. This is a significant contribution coming from local investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

10.0 **CONCLUSION**

(iii) The project is profitable and contributes to government revenue by way of taxes.

- (iv) The project provides employment to 25 people.
- (v) The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

11.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability,

since it is technical feasible, economically viable and socially acceptable.

APPENDIX I**HUASHENG GREEN ENERGY CO. LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$**

	1	2	3	4	5
Revenue (Food & drinks)	1,800,000	1,890,000	1,984,500	2,083,725	2,187,911
Operating Expenses:	1,170,000	1,228,500	1,289,925	1,354,421	1,422,142
Profit before Depreciation &Interest	630,000	661,500	694,575	729,304	765,769
Interest	-	-	-	-	-
Depreciation	37,500	37,500	37,500	37,500	37,500
Gross Profit	592,500	624,000	657,075	691,804	728,269
Tax (30%)	177,750	187,200	197,123	207,541	218,481
Profit After Tax	414,750	436,800	459,953	484,263	509,788
Accumulated Profit	414,750	851,550	1,311,503	1,795,765	2,305,553

APPENDIX II

HUASHENG GREEN ENERGY CO. LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	630,000	661,500	694,575	729,304	765,769
Equity	1,755,000					
Loan	0					
Total Sources	1,755,000	630,000	661,500	694,575	729,304	765,769
Applications:						
Capital expenditure	1,255,000	-	-	-	-	-
working Capital &Others	500,000					
Cash	-	452,250	474,300	497,453	521,763	547,288
Tax	-	177,750	187,200	197,123	207,541	218,481
Sub total	1,755,000	630,000	661,500	694,575	729,304	765,769
Total applications	1,755,000	630,000	661,500	694,575	729,304	765,769
Accumulated cash		452,250	926,550	1,424,003	1,945,765	2,493,053

APPENDIX III

HUASHENG GREEN ENERGY CO. LIMITED ED PROJECTED BALANCE SHEET US\$

Fixed Assets		1	2	3	4	5
Opening balance	-	1,255,000	1,217,500	1,180,000	1,142,500	1,105,000
Additions	-					
Total Long-term Assets	-	1,255,000	1,217,500	1,180,000	1,142,500	1,105,000
Less depreciation	-	37,500	37,500	37,500	37,500	37,500
Closing balance	-	1,217,500	1,180,000	1,142,500	1,105,000	1,067,500
Working capital	500,000	500,000	500,000	500,000	500,000	500,000
Accumulated cash	-	452,250	926,550	1,424,003	1,945,765	2,493,053
Total assets	500,000	2,169,750	2,606,550	3,066,503	3,550,765	4,060,553
Financed by						
Equity	1,755,000	1,755,000	1,755,000	1,755,000	1,755,000	1,755,000
Accumulated profit	-	452,250	926,550	1,424,003	1,945,765	2,493,053
Total equity	1,755,000	2,207,250	2,681,550	3,179,003	3,700,765	4,248,053
Long term loan	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-
Total debts	-	-	-	-	-	-
Total equity and debts	1,755,000	2,207,250	2,681,550	3,179,003	3,700,765	4,248,053

b

APPENDIX IV

HUASHENG GREEN ENERGY CO. LIMITED PROJECTED DEPRECIATION SCHEDULE

NAME OF ASSETS	1	2	3	4	5
Land And Buildings	200,000	196,000	192,000	188,000	184,000
Machinery, Tools & Equipment	800,000	792,000	784,000	776,000	768,000
Motor Vehicles	250,000	225,000	200,000	175,000	150,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000
Total	1,255,000	1,217,500	1,180,000	1,142,500	1,105,000
DEPRECIATION	1	2	3	4	5
Land and buildings	4,000	4,000.00	4,000.00	4,000.00	4,000.00
Machinery tools & Equipment	8,000	8,000.00	8,000.00	8,000.00	8,000.00
Motor Vehicles	25,000	25,000	25,000	25,000	25,000
Furniture & Fixtures	500	500.00	500.00	500.00	500.00
ANNUAL DEPRECIATION	37,500	37,500	37,500	37,500	37,500

